



House of Representatives

General Assembly

File No. 313

January Session, 2011

Substitute House Bill No. 6497

House of Representatives, March 31, 2011

The Committee on Banks reported through REP. TONG of the 147th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CREATING JOBS BY ENHANCING CONNECTICUT'S CORPORATE AND SECURITIES LAWS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2011*) (a) The Chief Court
2 Administrator shall establish, within available appropriations, a
3 corporate, securities and transactional matters docket, in one or more
4 court locations, for the hearing of matters relating to complex
5 corporate and securities matters and business transactions, including,
6 without limitation, mergers and acquisitions and other business and
7 corporate transactions. The Superior Court may transfer any such
8 corporate, securities or transactional matters to the corporate,
9 securities and transactional matters docket.
- 10 (b) The Chief Court Administrator shall assign one or more judges
11 with specific expertise and experience in complex corporate and
12 securities matters and business transactions including, without
13 limitation, mergers and acquisitions and other business and corporate
14 transactions, and any necessary staff to such docket.

15 (c) Any person may consent to the jurisdiction of the corporate,
16 securities and transactional matters docket notwithstanding the lack of
17 a basis for jurisdiction over such person. The Chief Court
18 Administrator shall establish a schedule of fees concerning matters
19 assigned to such docket.

20 (d) The Chief Court Administrator shall establish policies and
21 procedures to implement the provisions of this section. Not later than
22 July 1, 2012, the Chief Court Administrator shall submit a report, in
23 accordance with section 11-4a of the general statutes, on such docket to
24 the joint standing committees of the General Assembly having
25 cognizance of matters relating to banks and to the judiciary.

26 Sec. 2. (NEW) (*Effective October 1, 2011*) As used in sections 2 to 34,
27 inclusive, of this act:

28 (1) "Acquired entity" means the entity, all of one or more classes or
29 series of interests of which are acquired in an interest exchange.

30 (2) "Acquiring entity" means the entity that acquires all of one or
31 more classes or series of interests of the acquired entity in an interest
32 exchange.

33 (3) "Approve" means, in the case of an entity, for its governors and
34 interest holders to take whatever steps are necessary under its organic
35 rules, organic law and other law to (A) propose a transaction subject to
36 sections 2 to 34, inclusive, of this act; (B) adopt and approve the terms
37 and conditions of the transaction; and (C) conduct any required
38 proceedings or otherwise obtain any required votes or consents of the
39 governors or interest holders.

40 (4) "Business corporation" means a corporation whose internal
41 affairs are governed by chapter 601 of the general statutes or a
42 professional service corporation governed by chapter 594a of the
43 general statutes.

44 (5) "Conversion" means a transaction authorized by sections 23 to
45 28, inclusive, of this act.

46 (6) "Converted entity" means the converting entity as it continues in
47 existence after a conversion.

48 (7) "Converting entity" means the domestic entity that approves a
49 plan of conversion pursuant to section 25 of this act or the foreign
50 entity that approves a conversion pursuant to the law of its jurisdiction
51 of organization.

52 (8) "Domestic entity", unless the context otherwise requires, means
53 an entity whose internal affairs are governed by the law of this state.

54 (9) "Domesticated entity" means the domesticating entity as it
55 continues in existence after a domestication.

56 (10) "Domesticating entity" means the domestic entity that approves
57 a plan of domestication pursuant to section 31 of this act or the foreign
58 entity that approves a domestication pursuant to the law of its
59 jurisdiction of organization.

60 (11) "Domestication" means a transaction authorized by sections 29
61 to 34, inclusive, of this act.

62 (12) "Entity", unless the context otherwise requires, means (A) a
63 business corporation; (B) a nonprofit corporation; (C) a general
64 partnership, including a limited liability partnership; (D) a limited
65 partnership, including a limited liability limited partnership; (E) a
66 limited liability company; (F) a business trust or statutory trust entity;
67 (G) an unincorporated nonprofit association; (H) a cooperative; or (I)
68 any other person who has a separate legal existence or the power to
69 acquire an interest in real property in his or her own name other than
70 (i) an individual; (ii) a testamentary, inter vivos or charitable trust,
71 with the exception of a business trust, statutory trust entity or similar
72 trust; (iii) an association or relationship that is not a partnership solely
73 by reason of the law of any other jurisdiction; (iv) a decedent's estate;
74 or (v) a government, a governmental subdivision, agency or
75 instrumentality, or a quasi-governmental instrumentality.

76 (13) "Filing entity" means an entity that is created by the filing of a

77 public organic document.

78 (14) "Foreign entity" means an entity other than a domestic entity.

79 (15) "Governance interest" means the right under the organic law or
80 organic rules of an entity, other than as a governor, agent, assignee or
81 proxy, to (A) receive or demand access to information concerning, or
82 the books and records of, the entity; (B) vote for the election of the
83 governors of the entity; or (C) receive notice of or vote on any or all
84 issues involving the internal affairs of the entity.

85 (16) "Governor" means a person by or under whose authority the
86 powers of an entity are exercised and under whose direction the
87 business and affairs of the entity are managed pursuant to the organic
88 law and organic rules of the entity.

89 (17) "Interest", unless the context otherwise requires, means (A) a
90 governance interest in an unincorporated entity; (B) a transferable
91 interest in an unincorporated entity; or (C) a share or membership in a
92 corporation.

93 (18) "Interest exchange" means a transaction authorized by sections
94 17 to 22, inclusive, of this act.

95 (19) "Interest holder" means a direct holder of an interest.

96 (20) "Interest holder liability" means (A) personal liability for a
97 liability of an entity that is imposed on a person (i) solely by reason of
98 the status of the person as an interest holder, or (ii) by the organic rules
99 of the entity pursuant to a provision of the organic law authorizing the
100 organic rules to make one or more specified interest holders or
101 categories of interest holders liable in their capacity as interest holders
102 for all or specified liabilities of the entity; or (B) an obligation of an
103 interest holder under the organic rules of an entity to contribute to the
104 entity.

105 (21) "Jurisdiction of organization" of an entity means the jurisdiction
106 under which the law includes the organic law of the entity.

107 (22) "Liability" means a debt, obligation or any other liability arising
108 in any manner, regardless of whether it is secured or contingent.

109 (23) "Merger" means a transaction in which two or more merging
110 entities are combined into a surviving entity pursuant to a filing with
111 the Secretary of the State.

112 (24) "Merging entity" means an entity that is a party to a merger and
113 exists immediately before the merger becomes effective.

114 (25) "Nonprofit corporation" means a corporation whose internal
115 affairs are governed by chapter 602 of the general statutes.

116 (26) "Organic law" means the section of the general statutes, if any,
117 other than sections 2 to 34, inclusive, of this act, governing the internal
118 affairs of an entity.

119 (27) "Organic rules" means the public organic document and private
120 organic rules of an entity.

121 (28) "Person" means an individual, corporation, estate, trust,
122 partnership, limited liability company, business or similar trust,
123 association, joint venture, public corporation, government or
124 governmental subdivision, agency or instrumentality, or any other
125 legal or commercial entity.

126 (29) "Plan" means a plan of merger, interest exchange, conversion or
127 domestication.

128 (30) "Private organic rules" means the rules, whether or not in a
129 record, that govern the internal affairs of an entity are binding on all of
130 its interest holders and are not part of its public organic document, if
131 any.

132 (31) "Protected agreement" means (A) a record evidencing
133 indebtedness and any related agreement in effect on or after October 1,
134 2011; (B) an agreement that is binding on an entity on or after October
135 1, 2011; (C) the organic rules of an entity in effect on or after October 1,

136 2011; or (D) an agreement that is binding on any of the governors or
137 interest holders of an entity on or after October 1, 2011.

138 (32) "Public organic document" means the public record, the filing of
139 which creates an entity and any amendment to or restatement of such
140 record.

141 (33) "Qualified foreign entity" means a foreign entity that is
142 authorized to transact business in this state pursuant to a filing with
143 the Secretary of the State.

144 (34) "Record" means information that is inscribed on a tangible
145 medium or that is stored in an electronic or other medium and is
146 retrievable in perceivable form.

147 (35) "Sign" or "signature" includes any manual, facsimile, conformed
148 or electronic signature.

149 (36) "Surviving entity" means the entity that continues in existence
150 after a merger or that is created by a merger.

151 (37) "Transferable interest" means the right under an entity's organic
152 law to receive distributions from the entity.

153 (38) "Type", with regard to an entity, means a generic form of entity
154 (A) recognized at common law, or (B) organized under an organic law,
155 whether or not an entity organized under such organic law subject to
156 the provisions of such organic law creating different categories of the
157 form of entity.

158 Sec. 3. (NEW) (*Effective October 1, 2011*) (a) Unless displaced by the
159 particular provisions of sections 2 to 34, inclusive, of this act, the
160 principles of law and equity shall supplement said sections.

161 (b) Sections 2 to 34, inclusive, of this act shall not authorize any
162 action prohibited by law or affect the application or requirements of
163 law.

164 (c) A transaction effected under sections 2 to 34, inclusive, of this act

165 shall not create or impair any right or obligation on the part of a
166 person under a provision of the law of this state relating to a change in
167 control, takeover, business combination, control-share acquisition or
168 similar transaction involving a domestic merging, acquired, converting
169 or domesticating corporation unless (1) the transaction satisfies any
170 requirements of such provision, provided the corporation does not
171 survive the transaction, or (2) the approval of the plan is by a vote of
172 the shareholders or directors that is sufficient to create or impair the
173 right or obligation directly under such provision, provided the
174 corporation survives the transaction.

175 Sec. 4. (NEW) (*Effective October 1, 2011*) (a) A domestic or foreign
176 entity that is required to give notice to or obtain the approval of a
177 governmental agency or officer in order to be a party to a merger shall
178 give such notice or obtain such approval in order to be a party to an
179 interest exchange, conversion or domestication.

180 (b) Property held for a charitable purpose under the law of this state
181 by a domestic or foreign entity immediately before a transaction under
182 sections 2 to 34, inclusive, of this act becomes effective shall not, as a
183 result of the transaction, be diverted from the objects for which it was
184 donated, granted or devised, unless, to the extent required by or
185 pursuant to the law of this state concerning cy pres or other law
186 concerning nondiversion of charitable assets, the entity obtains an
187 appropriate order of the Attorney General specifying the disposition of
188 the property.

189 Sec. 5. (NEW) (*Effective October 1, 2011*) A filing under sections 2 to
190 34, inclusive, of this act signed by a domestic entity shall become part
191 of the public organic document of the entity, provided the organic law
192 of the entity provides that similar filings under such law become part
193 of the public organic document of the entity.

194 Sec. 6. (NEW) (*Effective October 1, 2011*) The fact that a transaction
195 under sections 2 to 34, inclusive, of this act produces a certain result
196 shall not preclude the same result from being accomplished in any
197 other manner permitted by law.

198 Sec. 7. (NEW) (*Effective October 1, 2011*) A plan may refer to facts
199 ascertainable outside of the plan, provided the manner in which the
200 facts shall operate upon the plan is specified in the plan. The facts may
201 include the occurrence of an event or a determination or action by a
202 person, whether or not the event, determination or action is within the
203 control of a party to the transaction.

204 Sec. 8. (NEW) (*Effective October 1, 2011*) Except as otherwise
205 provided in the organic law or organic rules of a domestic entity,
206 approval of a transaction under sections 2 to 34, inclusive, of this act by
207 the unanimous vote or consent of such entity's interest holders shall
208 satisfy the requirements of said sections for approval of the
209 transaction.

210 Sec. 9. (NEW) (*Effective October 1, 2011*) (a) An interest holder of a
211 domestic merging, acquired, converting or domesticating corporation
212 shall be entitled to appraisal rights in connection with the transaction,
213 provided the interest holder would have been entitled to appraisal
214 rights under the entity's organic law in connection with a merger in
215 which the interest of the interest holder was changed, converted or
216 exchanged unless (1) the organic law permits the organic rules to limit
217 the availability of appraisal rights, and (2) the organic rules provide
218 such a limit.

219 (b) An interest holder of a domestic merging, acquired, converting
220 or domesticating entity shall be entitled to contractual appraisal rights
221 in connection with a transaction under sections 2 to 34, inclusive, of
222 this act to the extent provided (1) in the entity's organic rules; (2) in the
223 plan; or (3) in the case of a business corporation, by action of its
224 governors.

225 (c) If an interest holder is entitled to contractual appraisal rights
226 under subsection (b) of this section and the entity's organic law does
227 not provide procedures for the conduct of an appraisal rights
228 proceeding, sections 33-855 to 33-868, inclusive, of the general statutes
229 shall apply to the extent practicable or as otherwise provided in the
230 entity's organic rules or the plan.

231 Sec. 10. (NEW) (*Effective October 1, 2011*) (a) The following entities
232 shall not participate in a transaction under sections 2 to 34, inclusive, of
233 this act:

234 (1) A business corporation formed under special act;

235 (2) Cooperative associations formed under chapter 595 of the
236 general statutes;

237 (3) Cooperative marketing corporations formed under chapter 596
238 of the general statutes;

239 (4) Electric cooperative corporations formed under chapter 597 of
240 the general statutes;

241 (5) Worker cooperative corporations formed under chapter 599a of
242 the general statutes;

243 (6) Insurance companies, health care centers and other corporations
244 formed under chapters 697 and 698 of the general statutes;

245 (7) Health care centers, related service groups, hospital service
246 corporations, medical service corporations and other corporations
247 formed under chapter 698a of the general statutes;

248 (8) Prepaid legal service corporations formed under chapter 698b of
249 the general statutes;

250 (9) Risk retention groups formed and organized under chapter 698
251 of the general statutes;

252 (10) Fraternal benefit societies formed under chapter 700d of the
253 general statutes;

254 (11) Banks, related organizations and other corporations formed
255 under chapters 664, 664b and 666 of the general statutes;

256 (12) Credit unions formed under chapter 667 of the general statutes;

257 (13) Public service companies formed under chapter 277 of the

- 258 general statutes;
- 259 (14) Title insurance companies formed under chapter 700a of the
260 general statutes;
- 261 (15) Out-of-state banks formed under chapter 666 of the general
262 statutes;
- 263 (16) Nondepository institutions formed under chapter 668 of the
264 general statutes;
- 265 (17) Nonprofit or not-for-profit corporations;
- 266 (18) Religious corporations and societies formed under chapter 598
267 of the general statutes;
- 268 (19) Nonstock corporations formed under chapter 602 of the general
269 statutes;
- 270 (20) Unincorporated nonprofit associations;
- 271 (21) Cooperatives;
- 272 (22) A business trust or statutory trust entity; and
- 273 (23) Any entity described in subparagraph (B), (F), (G), (H) or (I) of
274 subdivision (12) of section 2 of this act.
- 275 (b) Sections 2 to 34, inclusive, of this act shall not be used to effect a
276 transaction that (1) involves any entity referenced in subsection (a) of
277 this section, or (2) is a conversion, merger, consolidation, interest
278 exchange, division or any other transaction governed by sections 2 to
279 34, inclusive, of this act between or among entities of the same type.
- 280 Sec. 11. (NEW) (*Effective October 1, 2011*) (a) Except as provided in
281 subsection (c) of this section, by complying with this section and
282 sections 12 to 16, inclusive, of this act, (1) one or more domestic entities
283 may merge with one or more domestic or foreign entities into a
284 domestic or foreign surviving entity, and (2) two or more foreign

285 entities may merge into a domestic entity.

286 (b) Except as provided in subsection (c) of this section, by
287 complying with the provisions of this section and sections 12 to 16,
288 inclusive, of this act applicable to foreign entities, a foreign entity may
289 be a party to a merger under this article or may be the surviving entity
290 in such a merger, provided the merger is authorized by the law of the
291 foreign entity's jurisdiction of organization.

292 (c) The provisions of this section and sections 12 to 16, inclusive, of
293 this act shall not apply to a transaction involving:

294 (1) A merger between any two or more domestic corporations or
295 one or more domestic corporations and one or more foreign
296 corporations pursuant to chapter 601 of the general statutes;

297 (2) A merger between any two or more domestic limited
298 partnerships or one or more domestic limited partnerships and one or
299 more foreign limited partnerships pursuant to chapter 610 of the
300 general statutes;

301 (3) A merger between two or more partnerships or limited liability
302 partnerships pursuant to chapter 614 of the general statutes;

303 (4) A merger between any two or more domestic limited liability
304 companies or one or more domestic limited liability companies and
305 one or more foreign limited liability companies pursuant to the chapter
306 613 of the general statutes; or

307 (5) A merger involving any entity referenced in section 10 of this act.

308 Sec. 12. (NEW) (*Effective October 1, 2011*) (a) A domestic entity may
309 become a party to a merger under sections 11 to 16, inclusive, of this
310 act by approving a plan of merger. Such plan shall be in a record and
311 contain:

312 (1) As to each merging entity, the entity's name, jurisdiction of
313 organization and type;

314 (2) If the surviving entity is to be created in the merger, a statement
315 to that effect and such entity's name, jurisdiction of organization and
316 type;

317 (3) The manner of converting the interests in each party to the
318 merger into interests, securities, obligations, rights to acquire interests
319 or securities, cash or other property, or any combination thereof;

320 (4) If the surviving entity exists before the merger, any proposed
321 amendments to such entity's public organic document or to such
322 entity's private organic rules that are, or are proposed to be, in a
323 record;

324 (5) If the surviving entity is to be created in the merger, such entity's
325 proposed public organic document, if any, and the full text of such
326 entity's private organic rules that are proposed to be in a record;

327 (6) The other terms and conditions of the merger; and

328 (7) Any other provision required by the law of a merging entity's
329 jurisdiction of organization or the organic rules of a merging entity.

330 (b) A plan of merger may contain any other provision not
331 prohibited by law.

332 Sec. 13. (NEW) (*Effective October 1, 2011*) (a) A plan of merger is not
333 effective unless it has been approved:

334 (1) By a domestic merging entity (A) in accordance with the
335 requirements, if any, in its organic law and organic rules for approval
336 of (i) in the case of an entity that is not a business corporation, a
337 merger, or (ii) in the case of a business corporation, a merger requiring
338 approval by a vote of the interest holders of the business corporation;
339 or (B) if neither its organic law nor organic rules provide for approval
340 of a merger described in subparagraph (A)(ii) of this subsection, by all
341 of the interest holders of the entity entitled to vote on or consent to any
342 matter; and

343 (2) In a record, by each interest holder of a domestic merging entity
344 that shall have interest holder liability for liabilities that arise after the
345 merger becomes effective, unless, in the case of an entity that is not a
346 business corporation or nonprofit corporation, (A) the organic rules of
347 the entity provide in a record for the approval of a merger in which
348 some or all of such entity's interest holders become subject to interest
349 holder liability by the vote or consent of fewer than all of the interest
350 holders; and (B) the interest holder voted for or consented in a record
351 to such provision of the organic rules or became an interest holder
352 after the adoption of such provision.

353 (b) A merger involving a foreign merging entity shall not be
354 effective unless it is approved by the foreign entity in accordance with
355 the law of the foreign entity's jurisdiction of organization.

356 Sec. 14. (NEW) (*Effective October 1, 2011*) (a) A plan of merger of a
357 domestic merging entity may be amended (1) in the same manner as
358 the plan was approved, provided the plan does not otherwise specify
359 the manner in which it may be amended, or (2) by the governors or
360 interest holders of the entity in the manner provided in the plan,
361 except an interest holder that was entitled to vote on or consent to
362 approval of the merger is entitled to vote on or consent to any
363 amendment of the plan that shall change (A) the amount or kind of
364 interests, securities, obligations, rights to acquire interests or securities,
365 cash, or other property, or any combination thereof, to be received by
366 the interest holders of any party to the plan; (B) the public organic
367 document or private organic rules of the surviving entity that shall be
368 in effect immediately after the merger becomes effective, except for
369 changes that do not require approval of the interest holders of the
370 surviving entity under its organic law or organic rules; or (C) any other
371 terms or conditions of the plan, provided the change would adversely
372 affect the interest holder in any material respect.

373 (b) After a plan of merger has been approved by a domestic
374 merging entity and before a statement of merger becomes effective, the
375 plan may be abandoned (1) as provided in the plan, or (2) unless

376 prohibited by the plan, in the same manner as the plan was approved.

377 (c) If a plan of merger is abandoned after a statement of merger has
378 been filed with the Secretary of the State but before the filing becomes
379 effective, a statement of abandonment, signed on behalf of a merging
380 entity, shall be filed with the Secretary of the State before the statement
381 of merger becomes effective. The statement of abandonment shall take
382 effect upon its filing, and the merger shall be deemed abandoned and
383 shall not become effective. The statement of abandonment shall
384 contain (1) the name of each merging or surviving entity that is a
385 domestic entity or a qualified foreign entity; (2) the date on which the
386 statement of merger was filed; and (3) a statement that the merger has
387 been abandoned in accordance with this section.

388 Sec. 15. (NEW) (*Effective October 1, 2011*) (a) A certificate of merger
389 shall be signed on behalf of each merging entity and filed with the
390 Secretary of the State.

391 (b) A certificate of merger shall contain:

392 (1) The name, jurisdiction of organization and type of each merging
393 entity that is not the surviving entity;

394 (2) The name, jurisdiction of organization and type of the surviving
395 entity;

396 (3) If the certificate of merger is not to be effective upon filing, the
397 date and time when it shall become effective, which shall not be later
398 than ninety days after the date of filing;

399 (4) A statement that the merger was approved by each domestic
400 merging entity, if any, in accordance with sections 11 to 16, inclusive,
401 of this act, and by each foreign merging entity, if any, in accordance
402 with the law of its jurisdiction of organization;

403 (5) If the surviving entity exists before the merger and is a domestic
404 filing entity, any amendment to its public organic document approved
405 as part of the plan of merger;

406 (6) If the surviving entity is created by the merger and is a domestic
407 filing entity, its public organic document, as an attachment;

408 (7) If the surviving entity is created by the merger and is a domestic
409 limited liability partnership, its certificate of limited liability
410 partnership, as an attachment; and

411 (8) If the surviving entity is a foreign entity that is not a qualified
412 foreign entity, a mailing address to which the Secretary of the State
413 may send any process served on the Secretary of the State pursuant to
414 subsection (e) of section 16 of this act.

415 (c) In addition to the requirements of subsection (b) of this section, a
416 certificate of merger may contain any other provision not prohibited
417 by law.

418 (d) If the surviving entity is a domestic entity, its public organic
419 document, if any, shall satisfy the requirements of the law of this state,
420 except it does not need to be signed and may omit any provision that is
421 not required to be included in a restatement of the public organic
422 document.

423 (e) A certificate of merger becomes effective upon the date and time
424 of its filing or the date and time specified in the certificate of merger.

425 Sec. 16. (NEW) (*Effective October 1, 2011*) (a) When a merger becomes
426 effective:

427 (1) The surviving entity shall continue to exist or come into
428 existence;

429 (2) Each merging entity that is not the surviving entity shall cease to
430 exist;

431 (3) All property of each merging entity shall vest in the surviving
432 entity without assignment, reversion or impairment;

433 (4) All liabilities of each merging entity shall be liabilities of the
434 surviving entity;

435 (5) Except as otherwise provided by law, other than as provided in
436 sections 2 to 34, inclusive, of this act or the plan of merger, all of the
437 rights, privileges, immunities, powers and purposes of each merging
438 entity shall vest in the surviving entity;

439 (6) If the surviving entity exists before the merger (A) all of its
440 property shall continue to be vested in it without reversion or
441 impairment; (B) it shall remain subject to all of its liabilities; and (C) all
442 of its rights, privileges, immunities, powers and purposes shall
443 continue to be vested in it;

444 (7) The name of the surviving entity may be substituted for the
445 name of any merging entity that is a party to any pending action or
446 proceeding;

447 (8) If the surviving entity exists before the merger (A) its public
448 organic document, if any, shall be amended as provided in the
449 statement of merger and shall be binding on its interest holders; and
450 (B) its private organic rules that are to be in a record, if any, shall be
451 amended to the extent provided in the plan of merger and shall be
452 binding on and enforceable by (i) its interest holders; and (ii) in the
453 case of a surviving entity that is not a business corporation, any other
454 person that is a party to an agreement that is part of the surviving
455 entity's private organic rules;

456 (9) If the surviving entity is created by the merger (A) its public
457 organic document, if any, shall be effective and binding on its interest
458 holders; and (B) its private organic rules shall be effective and binding
459 on and enforceable by (i) its interest holders; and (ii) in the case of a
460 surviving entity that is not a business corporation, any other person
461 that was a party to an agreement that was part of the organic rules of a
462 merging entity if such person has agreed to be a party to an agreement
463 that is part of the surviving entity's private organic rules; and

464 (10) The interests in each merging entity that are to be converted in
465 the merger shall be converted, and the interest holders of those
466 interests shall be entitled only to the rights provided to them under the

467 plan of merger and to any appraisal rights they have under section 9 of
468 this act and the merging entity's organic law.

469 (b) Except as otherwise provided in the organic law or organic rules
470 of a merging entity, the merger shall not give rise to any rights that an
471 interest holder, governor or third party would otherwise have upon a
472 dissolution, liquidation or winding-up of the merging entity.

473 (c) When a merger becomes effective, a person that did not have
474 interest holder liability with respect to any of the merging entities and
475 that becomes subject to interest holder liability with respect to a
476 domestic entity as a result of a merger shall have interest holder
477 liability only to the extent provided by the organic law of the entity
478 and only for those liabilities that arise after the merger becomes
479 effective.

480 (d) When a merger becomes effective, the interest holder liability of
481 a person that ceases to hold an interest in a domestic merging entity
482 with respect to which such person had interest holder liability shall be
483 as follows:

484 (1) The merger shall not discharge any interest holder liability under
485 the organic law of the domestic merging entity to the extent the
486 interest holder liability arose before the merger became effective;

487 (2) Such person shall not have interest holder liability under the
488 organic law of the domestic merging entity for any liability that arises
489 after the merger becomes effective;

490 (3) The organic law of the domestic merging entity shall continue to
491 apply to the release, collection or discharge of any interest holder
492 liability preserved under subdivision (1) of this subsection as if the
493 merger had not occurred and the surviving entity were the domestic
494 merging entity; and

495 (4) Such person shall have whatever rights of contribution from any
496 other person are provided by the organic law or organic rules of the
497 domestic merging entity with respect to any interest holder liability

498 preserved under subdivision (1) of this subsection as if the merger had
499 not occurred.

500 (e) When a merger becomes effective, a foreign entity that is the
501 surviving entity (1) may be served with process in this state for the
502 collection and enforcement of any liabilities of a domestic merging
503 entity; and (2) shall appoint the Secretary of the State as its agent for
504 service of process for collecting or enforcing such liabilities.

505 (f) When a merger becomes effective, the certificate of authority or
506 other foreign qualification of any foreign merging entity that is not the
507 surviving entity shall be canceled.

508 Sec. 17. (NEW) (*Effective October 1, 2011*) (a) Except as otherwise
509 provided in this section, by complying with this section and sections
510 18 to 22, inclusive, of this act (1) a domestic entity may acquire all of
511 one or more classes or series of interests of another domestic or foreign
512 entity in exchange for interests, securities, obligations, rights to acquire
513 interests or securities, cash, or other property, or any combination
514 thereof; or (2) all of one or more classes or series of interests of a
515 domestic entity may be acquired by another domestic or foreign entity
516 in exchange for interests, securities, obligations, rights to acquire
517 interests or securities, cash, or other property, or any combination
518 thereof.

519 (b) Except as otherwise provided in this section, by complying with
520 the provisions of this section and sections 18 to 22, inclusive, of this act
521 applicable to foreign entities, a foreign entity may be the acquiring or
522 acquired entity in an interest exchange, provided the interest exchange
523 is authorized by the law of the foreign entity's jurisdiction of
524 organization.

525 (c) If a protected agreement contains a provision that applies to a
526 merger of a domestic entity but does not refer to an interest exchange,
527 such provision shall apply to an interest exchange in which the
528 domestic entity is the acquired entity as if the interest exchange were a
529 merger until such time after October 1, 2011, as the provision is

530 amended.

531 Sec. 18. (NEW) (*Effective October 1, 2011*) (a) A domestic entity may
532 be the acquired entity in an interest exchange by approving a plan of
533 interest exchange. The plan shall be in a record and contain:

534 (1) The name and type of the acquired entity;

535 (2) The name, jurisdiction of organization and type of the acquiring
536 entity;

537 (3) The manner of converting the interests in the acquired entity into
538 interests, securities, obligations, rights to acquire interests or securities,
539 cash, or other property, or any combination thereof;

540 (4) Any proposed amendments to the public organic document or
541 private organic rules that are, or are proposed to be, in a record of the
542 acquired entity;

543 (5) The other terms and conditions of the interest exchange; and

544 (6) Any other provision required by the law of this state or the
545 organic rules of the acquired entity.

546 (b) A plan of interest exchange may contain any other provision not
547 prohibited by law.

548 Sec. 19. (NEW) (*Effective October 1, 2011*) (a) A plan of interest
549 exchange shall not be effective unless it has been approved:

550 (1) By a domestic acquired entity (A) in accordance with the
551 requirements, if any, in its organic law and organic rules for approval
552 of an exchange of interests; (B) except as otherwise provided in
553 subsection (c) of this section, if neither its organic law nor organic rules
554 provide for approval of an exchange of interests, then in accordance
555 with the requirements, if any, in its organic law and organic rules for
556 approval of a merger, as if the interest exchange were a merger; or (C)
557 if neither its organic law nor organic rules provide for approval of an
558 exchange of interests or a merger, by all of the interest holders of the

559 entity entitled to vote on or consent to any matter; and

560 (2) In a record, by each interest holder of a domestic acquired entity
561 that shall have interest holder liability for liabilities that arise after the
562 interest exchange becomes effective, unless, in the case of an entity that
563 is not a business corporation, (A) the organic rules of the entity
564 provide in a record for the approval of an interest exchange or a
565 merger in which some or all of its interest holders become subject to
566 interest holder liability by the vote or consent of fewer than all of the
567 interest holders; and (B) the interest holder voted for or consented in a
568 record to such provision of the organic rules or became an interest
569 holder after the adoption of such provision.

570 (b) An interest exchange involving a foreign acquired entity shall
571 not be effective unless it is approved by the foreign entity in
572 accordance with the law of the foreign entity's jurisdiction of
573 organization.

574 (c) Except as otherwise provided in its organic law or organic rules,
575 the interest holders of the acquiring entity shall not be required to
576 approve the interest exchange.

577 Sec. 20. (NEW) (*Effective October 1, 2011*) (a) A plan of interest
578 exchange of a domestic acquired entity may be amended:

579 (1) In the same manner as the plan was approved, provided the plan
580 does not otherwise specify the manner in which it may be amended; or

581 (2) By the governors or interest holders of the entity in the manner
582 provided in the plan, except an interest holder that was entitled to vote
583 on or consent to approval of the interest exchange shall be entitled to
584 vote on or consent to any amendment of the plan that will change (A)
585 the amount or kind of interests, securities, obligations, rights to acquire
586 interests or securities, cash, or other property, or any combination
587 thereof, to be received by any of the interest holders of the acquired
588 entity under the plan; (B) the public organic document or private
589 organic rules of the acquired entity that will be in effect immediately

590 after the interest exchange becomes effective, except for changes that
591 do not require approval of the interest holders of the acquired entity
592 under its organic law or organic rules; or (C) any other terms or
593 conditions of the plan, provided the change would adversely affect the
594 interest holder in any material respect.

595 (b) After a plan of interest exchange has been approved by a
596 domestic acquired entity and before a certificate of interest exchange
597 becomes effective, the plan may be abandoned (1) as provided in the
598 plan; or (2) unless prohibited by the plan, in the same manner as the
599 plan was approved.

600 (c) If a plan of interest exchange is abandoned after a certificate of
601 interest exchange has been filed with the Secretary of the State but
602 before the filing becomes effective, a certificate of abandonment,
603 signed on behalf of the acquired entity, shall be filed with the Secretary
604 of the State before such time as the certificate of interest exchange
605 becomes effective. The certificate of abandonment shall take effect
606 upon its filing and the interest exchange shall be abandoned and shall
607 not become effective. The certificate of abandonment shall contain (1)
608 the name of the acquired entity; (2) the date on which the certificate of
609 interest exchange was filed; and (3) a statement that the interest
610 exchange has been abandoned in accordance with this section.

611 Sec. 21. (NEW) (*Effective October 1, 2011*) (a) A certificate of interest
612 exchange shall be signed on behalf of a domestic acquired entity and
613 filed with the Secretary of the State.

614 (b) A certificate of interest exchange shall contain:

615 (1) The name and type of the acquired entity;

616 (2) The name, jurisdiction of organization and type of the acquiring
617 entity;

618 (3) If the certificate of interest exchange is not to be effective upon
619 filing, the date and time on which it will become effective, which may
620 not be more than ninety days after the date of filing;

621 (4) A statement that the plan of interest exchange was approved by
622 the acquired entity in accordance with sections 17 to 22, inclusive, of
623 this act; and

624 (5) Any amendments to the acquired entity's public organic
625 document approved as part of the plan of interest exchange.

626 (c) A certificate of interest exchange may contain any other
627 provision not prohibited by law.

628 (d) A certificate of interest exchange shall become effective on the
629 date and time of its filing or on the date and time specified in the
630 certificate of interest exchange.

631 Sec. 22. (NEW) (*Effective October 1, 2011*) (a) When an interest
632 exchange becomes effective:

633 (1) The interests in the acquired entity that are the subject of the
634 interest exchange shall cease to exist or shall be converted or
635 exchanged, and the interest holders of those interests shall be entitled
636 only to the rights provided to them under the plan of interest exchange
637 and to any appraisal rights they have under section 9 of this act and
638 the acquired entity's organic law;

639 (2) The acquiring entity shall become the interest holder of the
640 interests in the acquired entity stated in the plan of interest exchange
641 to be acquired by the acquiring entity;

642 (3) The public organic document, if any, of the acquired entity shall
643 be amended as provided in the certificate of interest exchange and
644 shall be binding on its interest holders; and

645 (4) The private organic rules of the acquired entity that are to be in a
646 record, if any, shall be amended to the extent provided in the plan of
647 interest exchange and be binding on and enforceable by (A) its interest
648 holders; and (B) in the case of an acquired entity that is not a
649 corporation, any other person that is a party to an agreement that is
650 part of the acquired entity's private organic rules.

651 (b) Except as otherwise provided in the organic law or organic rules
652 of the acquired entity, the interest exchange shall not give rise to any
653 rights that an interest holder, governor or third party would otherwise
654 have upon a dissolution, liquidation or winding-up of the acquired
655 entity.

656 (c) When an interest exchange becomes effective, a person that did
657 not have interest holder liability with respect to the acquired entity
658 and that becomes subject to interest holder liability with respect to a
659 domestic entity as a result of the interest exchange shall have interest
660 holder liability only to the extent provided by the organic law of the
661 entity and only for those liabilities that arise after the interest exchange
662 becomes effective.

663 (d) When an interest exchange becomes effective, the interest holder
664 liability of a person that ceases to hold an interest in a domestic
665 acquired entity with respect to which such person had interest holder
666 liability shall be as follows:

667 (1) The interest exchange shall not discharge any interest holder
668 liability under the organic law of the domestic acquired entity to the
669 extent the interest holder liability arose before the interest exchange
670 became effective;

671 (2) Such person shall not have interest holder liability under the
672 organic law of the domestic acquired entity for any liability that arises
673 after the interest exchange becomes effective;

674 (3) The organic law of the domestic acquired entity shall continue to
675 apply to the release, collection or discharge of any interest holder
676 liability preserved under subdivision (1) of this subsection as if the
677 interest exchange had not occurred; and

678 (4) Such person shall have whatever rights of contribution from any
679 other person are provided by the organic law or organic rules of the
680 domestic acquired entity with respect to any interest holder liability
681 preserved under subdivision (1) of this subsection as if the interest

682 exchange had not occurred.

683 Sec. 23. (NEW) (*Effective October 1, 2011*) (a) Except as otherwise
684 provided in this section, by complying with sections 2 to 34, inclusive,
685 of this act, a domestic entity may become (1) a domestic entity of a
686 different type; or (2) a foreign entity of a different type, provided the
687 conversion is authorized by the law of the foreign jurisdiction.

688 (b) Except as otherwise provided in this section, by complying with
689 the provisions of this section and sections 24 to 28, inclusive, of this act
690 applicable to foreign entities, a foreign entity may become a domestic
691 entity of a different type, provided the conversion is authorized by the
692 law of the foreign entity's jurisdiction of organization or the foreign
693 entity's organic rules.

694 (c) If a protected agreement contains a provision that applies to a
695 merger of a domestic entity but does not refer to a conversion, such
696 provision shall apply to a conversion of the entity as if the conversion
697 were a merger until such time after October 1, 2011, as the provision is
698 amended.

699 Sec. 24. (NEW) (*Effective October 1, 2011*) (a) A domestic entity may
700 convert to a different type of entity under sections 23 to 28, inclusive,
701 of this act by approving a plan of conversion. The plan shall be in a
702 record and contain:

703 (1) The name and type of the converting entity;

704 (2) The name, jurisdiction of organization and type of the converted
705 entity;

706 (3) The manner of converting the interests in the converting entity
707 into interests, securities, obligations, rights to acquire interests or
708 securities, cash, or other property, or any combination thereof;

709 (4) The proposed public organic document of the converted entity if
710 it shall be a filing entity;

711 (5) The full text of the private organic rules of the converted entity
712 that are proposed to be in a record;

713 (6) The other terms and conditions of the conversion; and

714 (7) Any other provision required by the law of this state or the
715 organic rules of the converting entity.

716 (b) A plan of conversion may contain any other provision not
717 prohibited by law.

718 Sec. 25. (NEW) (*Effective October 1, 2011*) (a) A plan of conversion
719 shall not be effective unless it has been approved:

720 (1) By a domestic converting entity (A) in accordance with the
721 requirements, if any, in its organic rules for approval of a conversion;
722 (B) if its organic rules do not provide for approval of a conversion, in
723 accordance with the requirements, if any, in its organic law and
724 organic rules for approval of (i) in the case of an entity that is not a
725 business corporation, a merger, as if the conversion were a merger; or
726 (ii) in the case of a corporation, a merger requiring approval by a vote
727 of the interest holders of the business corporation, as if the conversion
728 were that type of merger; or (C) if neither its organic law nor organic
729 rules provide for approval of a conversion or a merger described in
730 subparagraph (A) or (B) of this subdivision, by all of the interest
731 holders of the entity entitled to vote on or consent to any matter; and

732 (2) In a record, by each interest holder of a domestic converting
733 entity that shall have interest holder liability for liabilities that arise
734 after the conversion becomes effective, unless, in the case of an entity
735 that is not a business or nonprofit corporation, (A) the organic rules of
736 the entity provide in a record for the approval of a conversion or a
737 merger in which some or all of its interest holders become subject to
738 interest holder liability by the vote or consent of fewer than all of the
739 interest holders; and (B) the interest holder voted for or consented in a
740 record to such provision of the organic rules or became an interest
741 holder after the adoption of such provision.

742 (b) A conversion of a foreign converting entity shall not be effective
743 unless it is approved by the foreign entity in accordance with the law
744 of the foreign entity's jurisdiction of organization or the foreign entity's
745 organic rules.

746 Sec. 26. (NEW) (*Effective October 1, 2011*) (a) A plan of conversion of
747 a domestic converting entity may be amended (1) in the same manner
748 as the plan was approved, provided the plan does not otherwise
749 specify the manner in which it may be amended; or (2) by the
750 governors or interest holders of the entity in the manner provided in
751 the plan, except an interest holder that was entitled to vote on or
752 consent to approval of the conversion shall be entitled to vote on or
753 consent to any amendment of the plan that shall change (A) the
754 amount or kind of interests, securities, obligations, rights to acquire
755 interests or securities, cash, or other property, or any combination
756 thereof, to be received by any of the interest holders of the converting
757 entity under the plan; (B) the public organic document or private
758 organic rules of the converted entity that shall be in effect immediately
759 after the conversion becomes effective, except for changes that do not
760 require approval of the interest holders of the converted entity under
761 its organic law or organic rules; or (C) any other terms or conditions of
762 the plan, provided the change would adversely affect the interest
763 holder in any material respect.

764 (b) After a plan of conversion has been approved by a domestic
765 converting entity and before a certificate of conversion becomes
766 effective, the plan may be abandoned (1) as provided in the plan; or (2)
767 unless prohibited by the plan, in the same manner as the plan was
768 approved.

769 (c) If a plan of conversion is abandoned after a certificate of
770 conversion has been filed with the Secretary of the State but before the
771 filing becomes effective, a certificate of abandonment, signed on behalf
772 of the entity, shall be filed with the Secretary of the State before such
773 time as the certificate of conversion becomes effective. The certificate of
774 abandonment shall take effect upon its filing and the conversion shall

775 be abandoned and shall not become effective. The certificate of
776 abandonment shall contain (1) the name of the converting entity; (2)
777 the date on which the certificate of conversion was filed; and (3) a
778 statement that the conversion has been abandoned in accordance with
779 this section.

780 Sec. 27. (NEW) (*Effective October 1, 2011*) (a) A certificate of
781 conversion shall be signed on behalf of the converting entity and filed
782 with the Secretary of the State.

783 (b) A certificate of conversion shall contain:

784 (1) The name, jurisdiction of organization and type of the converting
785 entity;

786 (2) The name, jurisdiction of organization and type of the converted
787 entity;

788 (3) If the certificate of conversion is not to be effective upon its filing,
789 the date and time on which it shall become effective;

790 (4) If the converting entity is a domestic entity, a statement that the
791 plan of conversion was approved in accordance with sections 23 to 28,
792 inclusive, of this act or, if the converting entity is a foreign entity, a
793 statement that the conversion was approved by the foreign converting
794 entity in accordance with the law of its jurisdiction of organization;

795 (5) If the converted entity is a domestic filing entity, the text of its
796 public organic document, as an attachment;

797 (6) If the converted entity is a domestic limited liability partnership,
798 the text of its certificate of limited liability partnership, as an
799 attachment; and

800 (7) If the converted entity is a foreign entity that is not a qualified
801 foreign entity, a mailing address to which the Secretary of the State
802 may send any process served on the Secretary of the State pursuant to
803 subsection (e) of section 28 of this act.

804 (c) In addition to the requirements of subsection (b) of this section, a
805 certificate of conversion may contain any other provision not
806 prohibited by law.

807 (d) If the converted entity is a domestic entity, its public organic
808 document, if any, shall satisfy the requirements of the law of this state,
809 except it does not need to be signed and may omit any provision that is
810 not required to be included in a restatement of the public organic
811 document.

812 (e) A certificate of conversion shall become effective upon the date
813 and time of its filing or the date and time specified in the certificate of
814 conversion.

815 Sec. 28. (NEW) (*Effective October 1, 2011*) (a) When a conversion
816 becomes effective:

817 (1) The converted entity shall be (A) organized under and subject to
818 the organic law of the converted entity; and (B) the same entity
819 without interruption as the converting entity;

820 (2) All property of the converting entity shall continue to be vested
821 in the converted entity without assignment, reversion or impairment;

822 (3) All liabilities of the converting entity shall continue as liabilities
823 of the converted entity;

824 (4) Except as provided by law, other than sections 2 to 34, inclusive,
825 of this act or the plan of conversion, all of the rights, privileges,
826 immunities, powers and purposes of the converting entity shall remain
827 in the converted entity;

828 (5) The name of the converted entity may be substituted for the
829 name of the converting entity in any pending action or proceeding;

830 (6) If a converted entity is a filing entity, its public organic
831 document shall be effective and binding on its interest holders;

832 (7) If the converted entity is a limited liability partnership, its

833 certificate of limited liability partnership shall be effective
834 simultaneously;

835 (8) The private organic rules of the converted entity that are to be in
836 a record, if any, approved as part of the plan of conversion shall be
837 effective and binding on and enforceable by (A) its interest holders;
838 and (B) in the case of a converted entity that is not a business
839 corporation or nonprofit corporation, any other person that is a party
840 to an agreement that is part of the entity's private organic rules; and

841 (9) The interests in the converting entity shall be converted, and the
842 interest holders of the converting entity shall be entitled only to the
843 rights provided to them under the plan of conversion and to any
844 appraisal rights they have under section 9 of this act and the
845 converting entity's organic law.

846 (b) Except as otherwise provided in the organic law or organic rules
847 of the converting entity, the conversion shall not give rise to any rights
848 that an interest holder, governor or third party would otherwise have
849 upon a dissolution, liquidation or winding-up of the converting entity.

850 (c) When a conversion becomes effective, a person that did not have
851 interest holder liability with respect to the converting entity and that
852 becomes subject to interest holder liability with respect to a domestic
853 entity as a result of a conversion shall have interest holder liability
854 only to the extent provided by the organic law of the entity and only
855 for those liabilities that arise after the conversion becomes effective.

856 (d) When a conversion becomes effective:

857 (1) The conversion shall not discharge any interest holder liability
858 under the organic law of a domestic converting entity to the extent the
859 interest holder liability arose before the conversion became effective;

860 (2) A person shall not have interest holder liability under the
861 organic law of a domestic converting entity for any liability that arises
862 after the conversion becomes effective;

863 (3) The organic law of a domestic converting entity shall continue to
864 apply to the release, collection or discharge of any interest holder
865 liability preserved under subdivision (1) of this subsection as if the
866 conversion had not occurred; and

867 (4) A person shall have whatever rights of contribution from any
868 other person are provided by the organic law or organic rules of the
869 domestic converting entity with respect to any interest holder liability
870 preserved under subdivision (1) of this subsection as if the conversion
871 had not occurred.

872 (e) When a conversion becomes effective, a foreign entity that is the
873 converted entity (1) may be served with process in this state for the
874 collection and enforcement of any of its liabilities; and (2) shall appoint
875 the Secretary of the State as its agent for service of process for
876 collecting or enforcing those liabilities.

877 (f) If the converting entity is a qualified foreign entity, the certificate
878 of authority or other foreign qualification of the converting entity shall
879 be canceled when the conversion becomes effective.

880 (g) A conversion shall not require the entity to wind up its affairs
881 and shall not constitute or cause the dissolution of the entity.

882 Sec. 29. (NEW) (*Effective October 1, 2011*) (a) As used in this section
883 and sections 30 to 34, inclusive, of this act, "domestic entity" means,
884 with respect to a foreign jurisdiction, an entity whose internal affairs
885 are governed by the law of the foreign jurisdiction.

886 (b) Except as otherwise provided in this section, by complying with
887 this section and sections 30 to 34, inclusive, of this act, a domestic
888 entity may become a domestic entity of the same type in a foreign
889 jurisdiction, provided the domestication is authorized by the law of the
890 foreign jurisdiction.

891 (c) Except as otherwise provided in this section, by complying with
892 the provisions of this section and sections 30 to 34, inclusive, of this act,
893 applicable to foreign entities, a foreign entity may become a domestic

894 entity of the same type in this state if the domestication is authorized
895 by the law of the foreign entity's jurisdiction of organization.

896 (d) If a protected agreement contains a provision that applies to a
897 merger of a domestic entity but does not refer to a domestication, the
898 provision shall apply to a domestication of the entity as if the
899 domestication were a merger until such time after October 1, 2011, as
900 the provision is amended.

901 Sec. 30. (NEW) (*Effective October 1, 2011*) (a) A domestic entity may
902 become a foreign entity in a domestication by approving a plan of
903 domestication. The plan shall be in a record and contain:

904 (1) The name and type of the domesticating entity;

905 (2) The name and jurisdiction of organization of the domesticated
906 entity;

907 (3) The manner of converting the interests in the domesticating
908 entity into interests, securities, obligations, rights to acquire interests or
909 securities, cash, or other property, or any combination thereof;

910 (4) The proposed public organic document of the domesticated
911 entity if it is a filing entity;

912 (5) The full text of the private organic rules of the domesticated
913 entity that are proposed to be in a record;

914 (6) The other terms and conditions of the domestication; and

915 (7) Any other provision required by the law of this state or the
916 organic rules of the domesticating entity.

917 (b) A plan of domestication may contain any other provision not
918 prohibited by law.

919 Sec. 31. (NEW) (*Effective October 1, 2011*) (a) A plan of domestication
920 shall not be effective unless it has been approved:

921 (1) By a domestic domesticating entity (A) in accordance with the
922 requirements, if any, in its organic rules for approval of a
923 domestication; (B) if its organic rules do not provide for approval of a
924 domestication, in accordance with the requirements, if any, in its
925 organic law and organic rules for approval of (i) in the case of an entity
926 that is not a business corporation, a merger, as if the domestication
927 were a merger; or (ii) in the case of a business corporation, a merger
928 requiring approval by a vote of the interest holders of the business
929 corporation, as if the domestication were that type of merger; or (C) if
930 neither its organic law nor organic rules provide for approval of a
931 domestication or a merger described in subparagraph (B)(ii) of this
932 subdivision, by all of the interest holders of the entity entitled to vote
933 on or consent to any matter; and

934 (2) In a record, by each interest holder of a domestic domesticating
935 entity that shall have interest holder liability for liabilities that arise
936 after the domestication becomes effective, unless, in the case of an
937 entity that is not a business corporation or nonprofit corporation, (A)
938 the organic rules of the entity in a record provide for the approval of a
939 domestication or merger in which some or all of its interest holders
940 become subject to interest holder liability by the vote or consent of
941 fewer than all of the interest holders; and (B) the interest holder voted
942 for or consented in a record to that provision of the organic rules or
943 became an interest holder after the adoption of that provision.

944 (b) A domestication of a foreign domesticating entity shall not be
945 effective unless it is approved in accordance with the law of the foreign
946 entity's jurisdiction of organization.

947 Sec. 32. (NEW) (*Effective October 1, 2011*) (a) A plan of domestication
948 of a domestic domesticating entity may be amended (1) in the same
949 manner as the plan was approved, provided the plan does not
950 otherwise specify the manner in which it may be amended; or (2) by
951 the governors or interest holders of the entity in the manner provided
952 in the plan, except an interest holder that was entitled to vote on or
953 consent to approval of the domestication is entitled to vote on or

954 consent to any amendment of the plan that shall change (A) the
955 amount or kind of interests, securities, obligations, rights to acquire
956 interests or securities, cash, or other property, or any combination
957 thereof, to be received by any of the interest holders of the
958 domesticating entity under the plan; (B) the public organic document
959 or private organic rules of the domesticated entity that shall be in effect
960 immediately after the domestication becomes effective, except for
961 changes that do not require approval of the interest holders of the
962 domesticated entity under its organic law or organic rules; or (C) any
963 other terms or conditions of the plan, provided the change would
964 adversely affect the interest holder in any material respect.

965 (b) After a plan of domestication has been approved by a domestic
966 domesticating entity and before a statement of domestication becomes
967 effective, the plan may be abandoned (1) as provided in the plan; or (2)
968 unless prohibited by the plan, in the same manner as the plan was
969 approved.

970 (c) If a plan of domestication is abandoned after a statement of
971 domestication has been filed with the Secretary of the State but before
972 the filing becomes effective, a statement of abandonment, signed on
973 behalf of the entity, shall be filed with the Secretary of the State before
974 the time when the statement of domestication becomes effective. The
975 statement of abandonment shall take effect upon its filing, and the
976 domestication shall be abandoned and shall not become effective. The
977 statement of abandonment shall contain (1) the name of the
978 domesticating entity; (2) the date on which the statement of
979 domestication was filed; and (3) a statement that the domestication has
980 been abandoned in accordance with this section.

981 Sec. 33. (NEW) (*Effective October 1, 2011*) (a) A statement of
982 domestication shall be signed on behalf of the domesticating entity and
983 filed with the Secretary of the State.

984 (b) A statement of domestication shall contain:

985 (1) The name, jurisdiction of organization and type of the

986 domesticating entity;

987 (2) The name and jurisdiction of organization of the domesticated
988 entity;

989 (3) If the statement of domestication is not effective upon its filing,
990 the date and time when it shall become effective, which may not be
991 later than ninety days after the date of such filing;

992 (4) If the domesticating entity is a domestic entity, a statement that
993 the plan of domestication was approved in accordance with sections 29
994 to 34, inclusive, of this act or, if the domesticating entity is a foreign
995 entity, a statement that the domestication was approved in accordance
996 with the law of its jurisdiction of organization;

997 (5) If the domesticated entity is a domestic filing entity, its public
998 organic document, as an attachment;

999 (6) If the domesticated entity is a domestic limited liability
1000 partnership, its certificate of limited liability partnership as an
1001 attachment; and

1002 (7) If the domesticated entity is a foreign entity that is not a qualified
1003 foreign entity, a mailing address to which the Secretary of the State
1004 may send any process served on the Secretary of State pursuant to
1005 subsection (e) of section 34 of this act.

1006 (c) In addition to the requirements of subsection (b) of this section, a
1007 statement of domestication may contain any other provision not
1008 prohibited by law.

1009 (d) If the domesticated entity is a domestic entity, its public organic
1010 document, if any, shall satisfy the requirements of the law of this state,
1011 except it does not need to be signed and may omit any provision that is
1012 not required to be included in a restatement of the public organic
1013 document.

1014 (e) A statement of domestication shall become effective upon the

1015 date and time of its filing or the date and time specified in the
1016 statement of domestication.

1017 Sec. 34. (NEW) (*Effective October 1, 2011*) (a) When a domestication
1018 becomes effective:

1019 (1) The domesticated entity shall be (A) organized under and subject
1020 to the organic law of the domesticated entity; and (B) the same entity
1021 without interruption as the domesticating entity;

1022 (2) All property of the domesticating entity shall continue to be
1023 vested in the domesticated entity without assignment, reversion or
1024 impairment;

1025 (3) All liabilities of the domesticating entity shall continue as
1026 liabilities of the domesticated entity;

1027 (4) Except as provided by law, other than sections 2 to 33, inclusive,
1028 of this act and this section or the plan of domestication, all of the
1029 rights, privileges, immunities, powers and purposes of the
1030 domesticating entity shall remain in the domesticated entity;

1031 (5) The name of the domesticated entity may be substituted for the
1032 name of the domesticating entity in any pending action or proceeding;

1033 (6) If the domesticated entity is a filing entity, its public organic
1034 document shall be effective and binding on its interest holders;

1035 (7) If the domesticated entity is a limited liability partnership, its
1036 certificate of limited partnership shall be effective simultaneously;

1037 (8) The private organic rules of the domesticated entity that are to be
1038 in a record, if any, approved as part of the plan of domestication shall
1039 be effective and binding on and enforceable by (A) its interest holders;
1040 and (B) in the case of a domesticated entity that is not a business
1041 corporation, any other person that is a party to an agreement that is
1042 part of the domesticated entity's private organic rules; and

1043 (9) The interests in the domesticating entity shall be converted to the

1044 extent and in the manner approved in connection with the
1045 domestication, and the interest holders of the domesticating entity
1046 shall be entitled only to the rights provided to them under the plan of
1047 domestication and to any appraisal rights they have under section 9 of
1048 this act and the domesticating entity's organic law.

1049 (b) Except as otherwise provided in the organic law or organic rules
1050 of the domesticating entity, the domestication shall not give rise to any
1051 rights that an interest holder, governor or third party would otherwise
1052 have upon a dissolution, liquidation or winding-up of the
1053 domesticating entity.

1054 (c) When a domestication becomes effective, a person that did not
1055 have interest holder liability with respect to the domesticating entity
1056 and that becomes subject to interest holder liability with respect to a
1057 domestic entity as a result of the domestication shall have interest
1058 holder liability only to the extent provided by the organic law of the
1059 entity and only for those liabilities that arise after the domestication
1060 becomes effective.

1061 (d) When a domestication becomes effective:

1062 (1) The domestication shall not discharge any interest holder
1063 liability under the organic law of a domesticating domestic entity to
1064 the extent the interest holder liability arose before the domestication
1065 became effective;

1066 (2) A person shall not have interest holder liability under the
1067 organic law of a domestic domesticating entity for any liability that
1068 arises after the domestication becomes effective;

1069 (3) The organic law of a domestic domesticating entity shall
1070 continue to apply to the release, collection or discharge of any interest
1071 holder liability preserved under subdivision (1) of this subsection as if
1072 the domestication had not occurred; and

1073 (4) A person shall have whatever rights of contribution from any
1074 other person are provided by the organic law or organic rules of a

1075 domestic domesticating entity with respect to any interest holder
1076 liability preserved under subdivision (1) of this subsection as if the
1077 domestication had not occurred.

1078 (e) When a domestication becomes effective, a foreign entity that is
1079 the domesticated entity (1) may be served with process in this state for
1080 the collection and enforcement of any of its liabilities; and (2) shall
1081 appoint the Secretary of the State as its agent for service of process for
1082 collecting or enforcing those liabilities.

1083 (f) If the domesticating entity is a qualified foreign entity, the
1084 certificate of authority or other foreign qualification of the
1085 domesticating entity shall be canceled when the domestication
1086 becomes effective.

1087 (g) A domestication shall not require the entity to wind up its affairs
1088 and shall not constitute or cause the dissolution of the entity.

1089 Sec. 35. Section 33-182i of the general statutes is repealed and the
1090 following is substituted in lieu thereof (*Effective October 1, 2011*):

1091 Chapter 601 is applicable to a corporation organized pursuant to
1092 this chapter except to the extent that any of the provisions of this
1093 chapter are interpreted to be in conflict with the provisions of chapter
1094 601, in which event the provisions of this chapter shall take precedence
1095 with respect to a corporation organized pursuant to the provisions of
1096 this chapter. A professional corporation organized under this chapter
1097 may consolidate or merge [only] with another professional corporation
1098 organized under this chapter, [a limited liability company organized
1099 under chapter 613, a partnership or limited liability partnership
1100 organized under chapter 614 or a medical foundation organized under
1101 chapter 594b,] only if such corporation [, company, partnership or
1102 medical foundation] is organized to render the same specific
1103 professional service. A merger or consolidation of any professional
1104 corporation organized under this chapter with any foreign corporation
1105 [, foreign limited liability company, foreign partnership or foreign
1106 limited liability partnership] is prohibited.

1107 Sec. 36. Section 33-815 of the general statutes is repealed and the
1108 following is substituted in lieu thereof (*Effective October 1, 2011*):

1109 (a) One or more domestic corporations may, in accordance with the
1110 provisions of this section, merge with one or more domestic or foreign
1111 corporations [or other entities] pursuant to a plan of merger.

1112 (b) A foreign corporation [, or a domestic or foreign other entity,]
1113 may be a party to a merger, or may be created by the terms of a plan of
1114 merger, only if: (1) The merger is permitted by the law of the state or
1115 country under which such corporation [or other entity] is organized or
1116 by which it is governed; and (2) in effecting the merger, such
1117 corporation [or other entity] complies with such law and with its
1118 certificate of incorporation. [or organizational documents.]

1119 (c) The plan of merger [must] shall include: (1) The name of each
1120 corporation [or other entity] that will merge and the name of the
1121 corporation [or other entity] that will be the survivor of the merger; (2)
1122 the terms and conditions of the merger; (3) the manner and basis of
1123 converting the shares of each merging corporation [and interests of
1124 each merging other entity] into shares or other securities, interests,
1125 obligations, rights to acquire shares or other securities, cash or other
1126 property, or any combination thereof; (4) the certificate of
1127 incorporation of any corporation [, or the organizational documents of
1128 any other entity,] to be created by the merger or, if a new corporation
1129 [or other entity] is not to be created by the merger, any amendments to
1130 the survivor's certificate of incorporation; [or organizational
1131 documents;] and (5) any other provisions required by the law of the
1132 state or country under which any party to the merger is organized or
1133 by which it is governed, or by the certificate of incorporation or
1134 organizational documents of any such party.

1135 (d) Terms of a plan of merger may be made dependent on facts
1136 objectively ascertainable outside the plan in accordance with
1137 subsection (l) of section 33-608.

1138 (e) The plan of merger may also include a provision that the plan

1139 may be amended prior to filing a certificate of merger with the
1140 Secretary of the State, provided, if the shareholders of a domestic
1141 corporation that is a party to the merger are required or permitted to
1142 vote on the plan, the plan [must] shall provide that, subsequent to
1143 approval of the plan by such shareholders, the plan may not be
1144 amended to: (1) Change the amount or kind of shares or other
1145 securities, interests, obligations, rights to acquire shares or other
1146 securities, cash or other property to be received by the shareholders of
1147 or owners of interests in any party to the merger upon conversion of
1148 their shares or interests under the plan; (2) change the certificate of
1149 incorporation of any corporation [, or the organizational documents of
1150 any other entity,] that will survive or be created as a result of the
1151 merger, except for changes permitted by section 33-796 or by
1152 comparable provisions of the law of the state or country under which
1153 the foreign corporation [or foreign other entity] is organized or by
1154 which it is governed; or (3) change any of the other terms or conditions
1155 of the plan if the change would adversely affect such shareholders in
1156 any material respect.

1157 Sec. 37. Section 33-816 of the general statutes is repealed and the
1158 following is substituted in lieu thereof (*Effective October 1, 2011*):

1159 (a) Through a share exchange: (1) A domestic corporation may
1160 acquire all of the shares of one or more classes or series of shares of
1161 another domestic corporation or of a foreign corporation, [or all of the
1162 interests of one or more classes or series of interests of a domestic or
1163 foreign other entity,] in exchange for shares or other securities,
1164 interests, obligations, rights to acquire shares or other securities, cash
1165 or other property, or any combination thereof, pursuant to a plan of
1166 share exchange; or (2) all of the shares of one or more classes or series
1167 of shares of a domestic corporation may be acquired by another
1168 domestic corporation or by a foreign corporation, [or other entity,] in
1169 exchange for shares or other securities, interests, obligations, rights to
1170 acquire shares or other securities, cash or other property, or any
1171 combination thereof, pursuant to a plan of share exchange.

1172 (b) A foreign corporation [, or a domestic or foreign other entity,]
1173 may be a party to a share exchange only if: (1) The share exchange is
1174 permitted by the law of the state or country under which such
1175 corporation [or other entity] is organized or by which it is governed;
1176 and (2) in effecting the share exchange, such corporation [or other
1177 entity] complies with such law and with its certificate of incorporation
1178 or organizational documents.

1179 (c) The plan of share exchange [must] shall include: (1) The name of
1180 each corporation [or other entity] whose shares [or interests] will be
1181 acquired and the name of the corporation or other entity that will
1182 acquire such shares; [or interests;] (2) the terms and conditions of the
1183 share exchange; (3) the manner and basis of exchanging shares of a
1184 corporation [or interests in an other entity] whose shares [or interests]
1185 will be acquired under the share exchange into shares or other
1186 securities, interests, obligations, rights to acquire shares or other
1187 securities, cash or other property, or any combination thereof; and (4)
1188 any other provisions required by the law of the state or country under
1189 which any party to the share exchange is organized or by which it is
1190 governed or by the certificate of incorporation or organizational
1191 documents of any such party.

1192 (d) Terms of a plan of share exchange may be made dependent on
1193 facts objectively ascertainable outside the plan in accordance with
1194 subsection (l) of section 33-608.

1195 (e) The plan of share exchange may also include a provision that the
1196 plan may be amended prior to the filing of a certificate of share
1197 exchange with the Secretary of the State, provided, if the shareholders
1198 of a domestic corporation that is a party to the share exchange are
1199 required or permitted to vote on the plan, the plan [must] shall
1200 provide that, subsequent to approval of the plan by such shareholders,
1201 the plan may not be amended to: (1) Change the amount or kind of
1202 shares or other securities, interests, obligations, rights to acquire shares
1203 or other securities, cash or other property to be issued by the
1204 corporation or to be received by the shareholders of [or owners of

1205 interests] in any party to the share exchange in exchange for their
1206 shares [or interests] under the plan; or (2) change any of the terms or
1207 conditions of the plan if the change would adversely affect such
1208 shareholders in any material respect.

1209 (f) This section does not limit the power of a domestic corporation to
1210 acquire shares of another corporation or interests in an other entity in a
1211 transaction other than a share exchange.

1212 Sec. 38. Subdivision (4) of section 33-817 of the general statutes is
1213 repealed and the following is substituted in lieu thereof (*Effective*
1214 *October 1, 2011*):

1215 (4) If the plan of merger or share exchange is required to be
1216 approved by the shareholders, and if the approval is to be given at a
1217 meeting, the corporation [must] shall notify each shareholder, whether
1218 or not entitled to vote, of the meeting of shareholders at which the plan
1219 is to be submitted for approval. The notice [must] shall also state that
1220 the purpose, or one of the purposes, of the meeting is to consider the
1221 plan and [must] shall contain or be accompanied by a copy or
1222 summary of the plan. If the corporation is to be merged into an
1223 existing corporation, [or other entity,] the notice shall also include or
1224 be accompanied by a copy or summary of the certificate of
1225 incorporation [or organizational documents] of such existing
1226 corporation. [or other entity.] If the corporation is to be merged into a
1227 corporation [or other entity] that is to be created pursuant to the
1228 merger, the notice shall include or be accompanied by a copy or a
1229 summary of the certificate of incorporation [or organizational
1230 documents] of the new corporation. [or other entity.]

1231 Sec. 39. Subsection (a) of section 33-819 of the general statutes is
1232 repealed and the following is substituted in lieu thereof (*Effective*
1233 *October 1, 2011*):

1234 (a) After a plan of merger or share exchange has been adopted and
1235 approved as required by sections 33-600 to 33-998, inclusive, as
1236 amended by this act, a certificate of merger or share exchange shall be

1237 executed on behalf of each party to the merger or the share exchange
1238 by any officer or other duly authorized representative of such party.
1239 The certificate of merger or share exchange shall set forth: (1) The
1240 names of the parties to the merger or the share exchange; (2) the name
1241 of the corporation [or other entity] that will be the survivor of the
1242 merger or that will acquire the shares [or interests] of the other party to
1243 the share exchange; (3) the date on which the merger or the share
1244 exchange is to be effective; (4) if the certificate of incorporation of the
1245 survivor of a merger is amended, or if a new corporation is created as a
1246 result of a merger, the amendments to the survivor's certificate of
1247 incorporation or the certificate of incorporation of the new corporation;
1248 (5) if the plan of merger or share exchange required approval by the
1249 shareholders of a domestic corporation that was a party to the merger
1250 or the share exchange, a statement that the plan was duly approved by
1251 the shareholders and, if voting by any separate voting group was
1252 required, by each such separate voting group, in the manner required
1253 by sections 33-600 to 33-998, inclusive, and the certificate of
1254 incorporation; (6) if the plan of merger or share exchange did not
1255 require approval by the shareholders of a domestic corporation that
1256 was a party to the merger or the share exchange, a statement to that
1257 effect; and (7) as to each foreign corporation [and each other entity]
1258 that was a party to the merger or the share exchange, a statement that
1259 the plan and the performance of its terms were duly authorized by all
1260 action required by the law of the state or country under which the
1261 corporation [or other entity] is organized or by which it is governed,
1262 and by its certificate of incorporation, [or organizational documents.]

1263 Sec. 40. Subsection (a) of section 33-820 of the general statutes is
1264 repealed and the following is substituted in lieu thereof (*Effective*
1265 *October 1, 2011*):

1266 (a) When a merger becomes effective:

1267 (1) The corporation [or other entity] that is designated in the
1268 certificate of merger as the survivor continues or comes into existence,
1269 as the case may be;

1270 (2) The separate existence of every corporation [or other entity] that
1271 is merged into the survivor ceases;

1272 (3) All liabilities of each corporation [or other entity] that is merged
1273 into the survivor are vested in the survivor;

1274 (4) All property owned by, and every contract right possessed by,
1275 each corporation [or other entity] that merges into the survivor is
1276 vested in the survivor without reversion or impairment;

1277 (5) The name of the survivor may, but need not be, substituted in
1278 any pending proceeding for the name of any party to the merger
1279 whose separate existence ceased in the merger;

1280 (6) The certificate of incorporation [or organizational documents] of
1281 the survivor are amended to the extent provided in the certificate of
1282 merger;

1283 (7) The certificate of incorporation [or organizational documents] of
1284 a survivor that is created by the merger become effective; and

1285 (8) The shares of each corporation that is a party to the merger [, and
1286 the interests in an other entity that is a party to a merger,] that are to be
1287 converted under the plan of merger into shares or other securities,
1288 interests, obligations, rights to acquire shares or other securities, cash
1289 or other property, or any combination thereof, are converted, and the
1290 former holders of such shares or interests are entitled only to the rights
1291 provided to them in the plan of merger or to any rights they may have
1292 under sections 33-855 to 33-879, inclusive.

1293 Sec. 41. Subsection (d) of section 33-820 of the general statutes is
1294 repealed and the following is substituted in lieu thereof (*Effective*
1295 *October 1, 2011*):

1296 (d) Upon a merger becoming effective, a foreign corporation [, or a
1297 foreign other entity,] that is the survivor of the merger is deemed to:
1298 (1) Appoint the Secretary of the State as its agent for service of process
1299 in a proceeding to enforce the rights of shareholders of each domestic

1300 corporation that is a party to the merger who exercise appraisal rights;
1301 and (2) agree that it [will] shall promptly pay the amount, if any, to
1302 which such shareholders are entitled under sections 33-855 to 33-879,
1303 inclusive.

1304 Sec. 42. Section 34-33a of the general statutes is repealed and the
1305 following is substituted in lieu thereof (*Effective October 1, 2011*):

1306 (a) Pursuant to a plan of merger, approved in the manner provided
1307 by section 34-33c, one or more domestic limited partnerships may
1308 merge with or into any one or more domestic or foreign limited
1309 partnerships [or any one or more other entities] formed or organized
1310 under the laws of this state or any other state or any foreign country or
1311 other foreign jurisdiction, or any combination thereof, and the plan
1312 shall name the survivor.

1313 (b) The plan of merger, which may be embodied in an agreement,
1314 shall set forth: (1) The name and jurisdiction of organization of each
1315 party to the merger and the name of the limited partnership [or other
1316 entity] which is to be the survivor; (2) the terms and conditions of the
1317 merger, including the manner and basis of converting the [shares or]
1318 interests of each party to the merger into [shares or] other securities,
1319 interests, obligations, rights to acquire, [shares or other securities]
1320 interests, securities, cash or other property, or any combination
1321 thereof, and which may include provision for the distribution by any
1322 merging limited partnership [or other entity] of cash, securities of any
1323 limited partnership [or other entity] or other property in lieu of, in
1324 addition to, in exchange for or upon conversion of all or part of the
1325 interests in a limited partnership [or other entity] which is not the
1326 survivor in the merger; (3) any changes in the certificate of limited
1327 partnership [or the organizational documents] of the survivor; (4) the
1328 effective date or time, which shall be a date or time certain, of the
1329 merger if it is not to be effective upon the filing of the certificate of
1330 merger; and (5) such other provisions with respect to the merger as are
1331 deemed necessary or desirable. [If the merger involves one or more
1332 other entities, a written plan of merger which meets the requirements

1333 for merger of the statutes under which such other entity is organized
1334 or by which it is governed shall be deemed to meet the requirements of
1335 this section.]

1336 Sec. 43. Section 34-33b of the general statutes is repealed and the
1337 following is substituted in lieu thereof (*Effective October 1, 2011*):

1338 (a) Pursuant to a plan of consolidation, approved in the manner
1339 provided by section 34-33c, any domestic limited partnerships may
1340 consolidate with one or more limited partnerships [or with one or
1341 more other entities] formed or organized under the laws of this state or
1342 any other state or any foreign country or other foreign jurisdiction, or
1343 any combination thereof, into a new limited partnership. [or other
1344 entity.]

1345 (b) The plan of consolidation, which may be embodied in an
1346 agreement, shall set forth: (1) The name and jurisdiction of
1347 organization of each of the consolidating limited partnerships [or other
1348 entities] and the name and jurisdiction of organization of the new
1349 limited partnership, [or other entity,] which name may be that of any
1350 of the consolidating limited partnerships [or other entities] or any
1351 other available name pursuant to this chapter; (2) the terms and
1352 conditions of the consolidation, including the manner and basis of
1353 converting the [shares or] interests of each party to the consolidation
1354 into [shares or other securities,] interests, securities, obligations, rights
1355 to acquire [shares or] other securities, cash or other property, or any
1356 combination thereof, and which may include provision for the
1357 distribution by any consolidating limited partnership of cash,
1358 securities of any limited partnership, or other property in lieu of, in
1359 addition to, in exchange for or upon conversion of all or part of the
1360 interests in any consolidating limited partnership [or other entity] or of
1361 the new limited partnership; [or other entity;] (3) [if the survivor is a
1362 limited partnership,] a certificate of limited partnership complying
1363 with section 34-10; (4) the effective date or time, which shall be a date
1364 or time certain, of a consolidation if it is not to be effective upon the
1365 filing of the certificate of consolidation; and (5) such other provisions

1366 with respect to the consolidation as are deemed necessary or desirable.
1367 [If the consolidation involves one or more other entities, a written plan
1368 of consolidation which meets the requirements for consolidation of the
1369 statutes under which such other entity is organized or by which it is
1370 governed shall be deemed to meet the requirements of this section.]

1371 Sec. 44. Section 34-33d of the general statutes is repealed and the
1372 following is substituted in lieu thereof (*Effective October 1, 2011*):

1373 (a) After a plan of merger or consolidation is approved pursuant to
1374 section 34-33c, the survivor shall file a certificate of merger or
1375 consolidation, as the case may be, in the following manner: (1) A
1376 certificate of merger by any merging limited partnership that is a party
1377 thereto, executed as provided in section 34-10a, shall be filed as
1378 provided in section 34-10b with respect to the survivor; (2) a certificate
1379 of consolidation by any consolidating limited partnership that is a
1380 party thereto, executed as provided in section 34-10a, shall be filed as
1381 provided in section 34-10b in respect of the new limited partnership
1382 [or other entity] together with an appointment of statutory agent for
1383 service as provided in section 34-13b or other applicable law; and (3)
1384 general partners executing a certificate of merger or consolidation need
1385 not sign or swear as to facts set forth therein not pertaining to the
1386 limited partnership of which they are general partners.

1387 (b) The certificate of merger or consolidation [, in addition to the
1388 requirements for a certificate of merger or consolidation of the statutes
1389 under which any other entity that is a party to the merger or
1390 consolidation is organized or by which it is governed,] shall set forth:
1391 (1) The plan of merger or consolidation; and (2) as to each merging or
1392 consolidating limited partnership, a statement of the vote of limited
1393 partners required to adopt the plan of merger or consolidation and the
1394 vote for the plan; and (3) if the survivor is a foreign limited
1395 partnership, and is to transact business in this state, a statement that
1396 such survivor shall comply with the provisions of this chapter
1397 respecting such limited partnerships, and in every case a statement
1398 irrevocably appointing the Secretary of the State as its attorney to

1399 accept service of process in any action, suit or proceeding for the
1400 enforcement of any obligations of any domestic merging or
1401 consolidating limited partnership for which it is liable pursuant to
1402 subsection (c) of section 34-33f, as amended by this act, to the plan of
1403 merger or consolidation, or to the laws governing such foreign limited
1404 partnership. If such appointment is not made, legal process in any
1405 such action, suit or proceeding may be served upon the Secretary of
1406 the State as provided in subsection (b) of section 34-38q as attorney for
1407 such survivor.

1408 (c) The copy of the certificate of merger or consolidation, certified by
1409 the Secretary of the State, may also be filed for record in the records of
1410 deeds in the office of the town clerk in any town in this state. For such
1411 recording, the town clerk shall charge and collect the same fee as in the
1412 case of deeds.

1413 (d) A certificate of merger or consolidation shall act as a certificate
1414 of cancellation for a domestic limited partnership which is not the
1415 survivor in the merger or consolidation. A certificate of merger shall
1416 act as a certificate of amendment for a domestic limited partnership
1417 which survives such merger, to the extent provided by the plan of
1418 merger. In the case of a consolidation, [if the new entity is a limited
1419 partnership,] the certificate of limited partnership set forth in the
1420 certificate of consolidation shall be the certificate of limited partnership
1421 of the new limited partnership.

1422 Sec. 45. Section 34-33f of the general statutes is repealed and the
1423 following is substituted in lieu thereof (*Effective October 1, 2011*):

1424 (a) The survivor shall be a single limited partnership, [or other
1425 entity,] which, in the case of a merger shall be that limited partnership
1426 [or other entity] designated in the plan of merger as the survivor and,
1427 in the case of a consolidation shall be the new limited partnership [or
1428 other entity] provided for in the plan of consolidation.

1429 (b) The separate existence of each party to the merger or the
1430 consolidation, except the survivor, shall cease.

1431 (c) For the purposes of the laws of this state, the survivor shall
1432 thereupon and thereafter, to the extent consistent with its certificate of
1433 limited partnership [or other organizational documents] as in effect
1434 upon effecting the merger or consolidation, possess all of the rights,
1435 privileges and powers of each of the limited partnerships [and other
1436 entities] that have merged or consolidated, and all property, real,
1437 personal and mixed, and all debts due to any of such limited
1438 partnerships [and other entities] as well as all other things and choses
1439 in action belonging to each of such limited partnerships, [and other
1440 entities,] and all and every other interests, of or belonging to or due to
1441 each of the limited partnerships [and other entities] so merged or
1442 consolidated, shall be vested in such single limited partnership [or
1443 other entity] without further act or deed; and the title to any real estate,
1444 or any interest therein, vested in any of such limited partnerships [and
1445 other entities] shall not revert or be in any way impaired by reason of
1446 such merger or consolidation.

1447 (d) Any devise, bequest, gift or grant, contained in any will or in
1448 any other instrument, made before or after the merger or
1449 consolidation, to or for the benefit of any party to the merger or the
1450 consolidation shall inure to the benefit of the survivor. So far as is
1451 necessary for that purpose, the existence of each party to the merger or
1452 the consolidation shall be deemed to continue in and through the
1453 survivor.

1454 (e) The survivor shall be liable for all the liabilities, obligations and
1455 penalties of each party to the merger or the consolidation; and any
1456 claim existing or action or proceeding, civil or criminal, pending by or
1457 against any such limited partnership [or other entity] may be
1458 prosecuted as if such merger or consolidation had not taken place, or
1459 such survivor may be substituted in its place; and any judgment
1460 rendered against any party to the merger or the consolidation may be
1461 enforced against the survivor. Neither the rights of creditors nor any
1462 liens upon the property of any merging or consolidating limited
1463 partnership shall be impaired by the merger or consolidation.

1464 (f) Any general partner of a limited partnership [or holder of an
1465 interest in any other entity] that is a party to a merger or a
1466 consolidation who, prior to the merger or the consolidation, was
1467 obligated for any of the liabilities or obligations of the limited
1468 partnership [or other entity] shall not be released by reason of the
1469 merger or the consolidation from any such liabilities or obligations
1470 arising prior to the effective time of the merger or the consolidation.

1471 Sec. 46. Section 34-82 of the general statutes is repealed and the
1472 following is substituted in lieu thereof (*Effective October 1, 2011*):

1473 [(1)] (a) Notwithstanding the provisions of sections 34-300 to 34-434,
1474 inclusive, as amended by this act, any three or more persons, licensed
1475 or authorized to practice a profession by the state of Connecticut, may
1476 associate to practice such profession for profit, if the articles of
1477 association of the members provide that the association thereby
1478 formed and hereby authorized shall have at least three of the following
1479 four attributes: [(a)] (1) Continuity of life so that the death, insanity,
1480 bankruptcy, retirement, resignation or expulsion of any member [will]
1481 shall not cause a dissolution of the association; [(b)] (2) centralized
1482 management so that any one or more but less than all of the members
1483 has continuing exclusive authority to make management decisions
1484 necessary to the conduct of the professional business for which the
1485 association was formed, and so that no member of the association,
1486 acting without the authority of the managing member or members,
1487 shall have the power to bind the association by his act; [(c)] (3) limited
1488 liability so that the individual members of the association shall not be
1489 individually or severally liable for its debts; provided, however, the
1490 members shall in no way limit their individual or several liability in
1491 the articles of association, or otherwise, for any acts of reckless or
1492 wanton misconduct, negligence, malpractice, professional misconduct
1493 or tort; and [(d)] (4) free transferability of interests so that each of its
1494 members or those members owning substantially all of the interests in
1495 the association have the power, without the consent of other members,
1496 to substitute for themselves in the same association a person duly
1497 licensed or authorized to practice the profession for which the

1498 association was formed who is not a member of the association, or, a
1499 modified form of free transferability of interests so that each member
1500 of the association can transfer his interest to a person so licensed or
1501 authorized who is not a member of the association only after having
1502 offered such interest to the association or to the other members of the
1503 association at its fair market value as established in the articles of
1504 association, or otherwise.

1505 [(2)] (b) The articles of association of any association, formed and
1506 authorized pursuant to [paragraph (1)] subsection (a) of this section,
1507 shall expressly state that the association is formed under said
1508 [paragraph (1)] subsection (a) and shall be signed and sworn to by all
1509 of the members. The articles of association, duly executed, shall be
1510 filed for record with the Secretary of the State, together with a filing fee
1511 of twenty-five dollars. The Secretary of the State shall index and keep
1512 the documents in files used exclusively for such purpose.

1513 [(3)] (c) Any association formed and authorized under [paragraph
1514 (1)] subsection (a) of this section shall be subject to the laws of the state
1515 of Connecticut regulating the practice of the profession of the
1516 individual members of the association.

1517 [(4)] (d) The articles of association shall be cancelled when the
1518 association is dissolved by all of its members or as otherwise provided
1519 in the articles of association. The articles of association shall be
1520 amended when [(i)] (1) there is a change in the name or principal place
1521 of business of the association, [(ii)] or (2) the members desire to make a
1522 change in any other statement in the articles of association and have
1523 adopted such change in the manner provided in the articles of
1524 association.

1525 [(5)] (e) No amendment to the articles of association nor any
1526 dissolution of the association shall be effective until the amendment or
1527 an agreement of dissolution has been duly executed and filed for
1528 record with the Secretary of the State, together with a filing fee of ten
1529 dollars.

1530 [(6) An association formed under this section may become a
1531 professional service corporation, in accordance with section 33-182b,
1532 by complying with the provisions of chapter 594a and with this
1533 subsection. Upon the filing of a certificate of incorporation in
1534 compliance with section 33-182c, the association shall file with the
1535 Secretary of the State, in such form as the Secretary of the State shall
1536 prescribe, a certificate of cancellation of its articles of association and a
1537 consent of each member to the association becoming a professional
1538 service corporation, together with a filing fee of ten dollars. Upon the
1539 filing of such a certificate and consents and the incorporation of the
1540 professional service corporation, the association shall become a
1541 professional service corporation and the interests therein shall be
1542 converted to such number of shares of capital stock of the professional
1543 service corporation as the members shall approve. The provisions of
1544 subdivisions (3), (4), (5) and (8) of subsection (a) of section 33-820 shall
1545 apply as though the professional service corporation was the surviving
1546 corporation in a merger and the association the merging corporation.]

1547 Sec. 47. Section 34-193 of the general statutes is repealed and the
1548 following is substituted in lieu thereof (*Effective October 1, 2011*):

1549 (a) Except as provided in subsection (b) of this section, any one or
1550 more limited liability companies may merge or consolidate with or
1551 into any one or more domestic or foreign limited liability companies
1552 [or one or more other entities formed or organized under the laws of
1553 this state or any other state or any foreign country or other foreign
1554 jurisdiction, or any combination thereof,] in a manner provided in
1555 sections 34-194 and 34-195, as amended by this act.

1556 (b) A limited liability company organized under sections 34-100 to
1557 34-242, inclusive, as amended by this act, to render professional
1558 services may merge or consolidate only with another domestic limited
1559 liability company organized under said sections. [, a professional
1560 service corporation organized under chapter 594a or a partnership or
1561 limited liability partnership organized under chapter 614, if such
1562 company, corporation or partnership is organized to render the same

1563 professional service.] A merger or consolidation of a limited liability
1564 company organized under sections 34-100 to 34-242, inclusive, as
1565 amended by this act, to render professional services with any foreign
1566 limited liability company or foreign other entity is prohibited.

1567 Sec. 48. Section 34-195 of the general statutes is repealed and the
1568 following is substituted in lieu thereof (*Effective October 1, 2011*):

1569 (a) Each limited liability company [or other entity] that is a party to
1570 a proposed merger or consolidation shall enter into a written plan of
1571 merger or consolidation, which shall be approved in accordance with
1572 section 34-194.

1573 (b) The plan of merger or consolidation shall set forth: (1) The name
1574 of each limited liability company [and other entity] that is a party to
1575 the merger or consolidation and the name of the survivor in a merger
1576 or the new limited liability company in a consolidation; (2) the terms
1577 and conditions of the proposed merger or consolidation; (3) the
1578 manner and basis of converting the interests in each limited liability
1579 company [or other entity] in the merger or consolidation into interests
1580 of the surviving or new limited liability company [or other entity] or,
1581 in whole or in part, into cash or other property; (4) in the case of a
1582 merger, such amendments to the organizational documents of the
1583 survivor as are desired to be effected by the merger, or that no such
1584 changes are desired; (5) in the case of a consolidation, all of the
1585 statements required to be set forth in the organizational documents of
1586 the survivor; and (6) such other provisions relating to the proposed
1587 merger or consolidation as are deemed necessary or desirable. [If the
1588 merger or consolidation involves an other entity, a written plan of
1589 merger or consolidation that meets the requirements for merger or
1590 consolidation of the statutes under which such other entity is
1591 organized or by which it is governed shall be deemed to meet the
1592 requirements for a plan of merger or consolidation under this section.]

1593 Sec. 49. Section 34-196 of the general statutes is repealed and the
1594 following is substituted in lieu thereof (*Effective October 1, 2011*):

1595 (a) After a plan of merger or consolidation is approved as provided
1596 in section 34-194, the survivor shall deliver to the Secretary of the State
1597 for filing articles of merger or consolidation duly executed by each
1598 limited liability company [and other entity] that is a party thereto
1599 setting forth: (1) The name and jurisdiction of formation or
1600 organization of each limited liability company; [and other entity;] (2)
1601 the effective date of the merger or consolidation if later than the date of
1602 filing of the articles of merger or consolidation; (3) the name of the
1603 survivor; (4) a statement that the plan of merger or consolidation was
1604 duly authorized and approved by each limited liability company in
1605 accordance with the provisions of section 34-194; [and by each other
1606 entity in accordance with the applicable organizational documents of
1607 each other entity;] (5) if the articles of organization of the survivor of
1608 the merger are amended, the amendments to such articles of
1609 organization or, if a new limited liability company is created as a result
1610 of the consolidation, the articles of organization of such new limited
1611 liability company; (6) that the plan of merger or consolidation is on file
1612 at a place of business of the survivor and the address thereof; and (7)
1613 that a copy of the plan of merger or consolidation [will] shall be
1614 furnished by the survivor, on request and without cost, to any person
1615 holding an interest in any limited liability company [or other entity]
1616 that is a party to the merger or consolidation.

1617 (b) A merger or consolidation takes effect upon the later of the
1618 effective date of the filing of the articles of merger or consolidation or
1619 the date set forth in the plan of merger or consolidation.

1620 (c) The articles of merger or consolidation shall be executed by each
1621 limited liability company [or other entity] that is a party to the merger
1622 or consolidation. The survivor shall file the articles of merger or
1623 consolidation with the Secretary of the State in the manner provided
1624 for in section 34-110 as a condition of the effectiveness of the merger or
1625 consolidation.

1626 (d) Articles of merger or consolidation shall act as articles of
1627 dissolution for a limited liability company which is not the survivor in

1628 the merger or consolidation.

1629 (e) A plan of merger or consolidation authorized and approved in
1630 accordance with section 34-194 may effect any amendment to the
1631 operating agreement or effect the adoption of a new operating
1632 agreement for a limited liability company if it is the survivor in the
1633 merger or consolidation. Such a plan of merger or consolidation may
1634 also provide that the operating agreement of any limited liability
1635 company that is a party to the merger or consolidation, including a
1636 limited liability company formed for the purpose of consummating a
1637 merger or consolidation, shall be the operating agreement of the
1638 survivor. Any amendment to an operating agreement or adoption of a
1639 new operating agreement made pursuant to this subsection shall be
1640 effective at the effective time or date of the merger or consolidation.
1641 The provisions of this subsection shall not be construed to limit the
1642 accomplishment of a merger or consolidation or of any of the matters
1643 referred to in this subsection by any other means provided for in an
1644 operating agreement or other agreement or as otherwise permitted by
1645 law.

1646 Sec. 50. Section 34-197 of the general statutes is repealed and the
1647 following is substituted in lieu thereof (*Effective October 1, 2011*):

1648 Upon the effectiveness of a merger or consolidation:

1649 (1) The survivor shall be a limited liability company [or other entity]
1650 which, in the case of a merger, shall be the limited liability company
1651 [or other entity] designated in the plan of merger as the survivor and,
1652 in the case of a consolidation, shall be the new limited liability
1653 company [or other entity] provided for in the plan of consolidation.

1654 (2) The separate existence of each limited liability company [or other
1655 entity] that is a party to the plan of merger or consolidation, except the
1656 survivor, shall cease.

1657 (3) The survivor shall thereupon and thereafter possess all the
1658 rights, privileges, immunities and powers of each of the merging or

1659 consolidating limited liability companies [or other entities] and shall be
1660 subject to all the restrictions, disabilities and duties of each of the
1661 merging or consolidating limited liability companies. [or other
1662 entities.]

1663 (4) Any property, real, personal and mixed, and all debts due on
1664 whatever account, including promises to make capital contributions,
1665 and all other choses in action, and all and every other interest of or
1666 belonging to or due to each party to the merger or the consolidation
1667 shall be vested in the survivor without further act or deed.

1668 (5) The title to all real estate, and any interest therein, vested in any
1669 party to the merger or the consolidation shall not revert or be in any
1670 way impaired by reason of such merger or consolidation.

1671 (6) The survivor shall be responsible and liable for all liabilities and
1672 obligations of each of the limited liability companies [or other entities]
1673 that were merged or consolidated, and any claim existing or action or
1674 proceeding pending by or against any limited liability company [or
1675 other entity] that was a party to the merger or consolidation may be
1676 prosecuted as if such merger or consolidation had not taken place, or
1677 the survivor may be substituted in the action.

1678 (7) Neither the rights of creditors nor any liens on the property of
1679 any limited liability company [or other entity] that is a party to the
1680 merger or consolidation shall be impaired by the merger or
1681 consolidation.

1682 (8) The membership or other interests in a limited liability company
1683 [or other entity] that are to be converted or exchanged into interests,
1684 cash, obligations or other property under the terms of the plan of
1685 merger or consolidation are so converted, and the former holders
1686 thereof are entitled only to the rights provided in the plan of merger or
1687 consolidation or the rights otherwise provided by law.

1688 Sec. 51. Section 34-388 of the general statutes is repealed and the
1689 following is substituted in lieu thereof (*Effective October 1, 2011*):

1690 (a) Pursuant to a plan of merger approved as provided in subsection
1691 (c) of this section, one or more partnerships may merge with or into
1692 any one or more partnerships [or any one or more other entities]
1693 formed or organized under the laws of this state or any other state or
1694 any foreign country or other foreign jurisdiction, or any combination
1695 thereof.

1696 (b) The plan of merger shall set forth:

1697 (1) The name of each partnership [or other entity] that is a party to
1698 the merger;

1699 (2) The name of the survivor into which the other partnerships [or
1700 other entities will] shall merge;

1701 (3) [Whether the survivor is a partnership or an other entity and, if
1702 the survivor is a partnership or a limited partnership, the] The status of
1703 each partner;

1704 (4) The terms and conditions of the merger;

1705 (5) The manner and basis of converting the [shares or] interests of
1706 each party to the merger into [shares,] interests or obligations of the
1707 survivor or into money or other property in whole or part;

1708 (6) The street address of the survivor's chief executive office;

1709 (7) The effective date or time, which shall be a date or time certain,
1710 of the merger if it is not to be effective upon the filing of the certificate
1711 of merger; and

1712 (8) Such other provisions with respect to the merger as are deemed
1713 necessary or desirable.

1714 (c) The plan of merger shall be approved [:]

1715 [(1) In the case of a partnership that is a party to the merger,] by all
1716 of the partners or a number or percentage specified for merger in the
1717 partnership agreement. [; and]

1718 [(2) In the case of an other entity that is a party to the merger, by the
1719 vote required for approval of a merger by the law of the state or
1720 foreign jurisdiction in which the other entity is organized or by which
1721 it is governed and, in the absence of such a specifically applicable law,
1722 as to a limited partnership, by all of the partners, notwithstanding a
1723 provision to the contrary in the partnership agreement.]

1724 (d) After a plan of merger is approved and before the merger takes
1725 effect, the plan may be amended or abandoned as provided in the
1726 plan.

1727 (e) The merger takes effect on the later of:

1728 (1) The approval of the plan of merger by all parties to the merger,
1729 as provided in subsection (c) of this section;

1730 (2) The filing of all documents required by law to be filed as a
1731 condition to the effectiveness of the merger; or

1732 (3) Any effective date specified in the plan of merger.

1733 [(f) If the merger involves one or more other entities, a written plan
1734 of merger which meets the requirements for merger of the statutes
1735 under which such other entity is organized or by which it is governed
1736 shall be deemed to meet the requirements of a plan of merger under
1737 this section.]

1738 Sec. 52. Section 34-389 of the general statutes is repealed and the
1739 following is substituted in lieu thereof (*Effective October 1, 2011*):

1740 (a) When a merger takes effect:

1741 (1) The separate existence of every partnership [or other entity] that
1742 is a party to the merger, other than the survivor, ceases;

1743 (2) All property owned by each of the merged partnerships [or other
1744 entities] vests in the survivor;

1745 (3) All obligations of every partnership [or other entity] that is a

1746 party to the merger become the obligations of the survivor; and

1747 (4) An action or proceeding pending against a partnership [or other
1748 entity] that is a party to the merger may be continued as if the merger
1749 had not occurred, or the survivor may be substituted as a party to the
1750 action or proceeding.

1751 (b) The Secretary of the State is the agent for service of process in an
1752 action or proceeding against a surviving foreign partnership [or other
1753 entity] to enforce an obligation of a domestic partnership [or other
1754 entity] that is a party to a merger. Upon receipt of process, the
1755 Secretary of the State shall mail a copy of the process to the surviving
1756 foreign partnership, [or other entity.]

1757 (c) A partner of a surviving partnership [or limited partnership] is
1758 liable for:

1759 (1) All obligations of a party to the merger for which the partner
1760 was personally liable before the merger;

1761 (2) All other obligations of the survivor incurred before the merger
1762 by a party to the merger, but those obligations may be satisfied only
1763 out of property of the survivor; and

1764 (3) All obligations of the survivor incurred after the merger takes
1765 effect, [, but those obligations may be satisfied only out of property of
1766 the survivor if the partner is a limited partner.]

1767 (d) If the obligations incurred before the merger by a party to the
1768 merger that is a partnership [or limited partnership] are not satisfied
1769 out of the property of the survivor, the general partners of that party
1770 immediately before the effective date of the merger shall contribute the
1771 amount necessary to satisfy that party's obligations to the survivor, in
1772 the manner provided in section 34-378 or in sections 34-9 to 34-38r,
1773 inclusive, of the jurisdiction in which the party was organized, as the
1774 case may be, as if the merged party were dissolved.

1775 (e) A partner of a party to a merger between or among partnerships

1776 [or limited partnerships, or both,] who does not become a partner of
1777 the survivor is dissociated from the entity, of which that partner was a
1778 partner, as of the date the merger takes effect. The survivor shall cause
1779 the partner's interest in the entity to be purchased under section 34-362
1780 or another statute specifically applicable to that partner's interest with
1781 respect to a merger. The survivor is bound under section 34-363, as
1782 amended by this act, by an act of a general partner dissociated under
1783 this subsection, and the partner is liable under section 34-364, as
1784 amended by this act, for transactions entered into by the survivor after
1785 the merger takes effect.

1786 (f) Any partner of a partnership [or holder of an interest in an other
1787 entity] that is a party to a merger who, prior to the merger, was
1788 obligated for any of the liabilities or obligations of the partnership [or
1789 other entity] shall not be released by reason of the merger from any
1790 such liabilities or obligations arising prior to the effective time of the
1791 merger.

1792 Sec. 53. Section 34-390 of the general statutes is repealed and the
1793 following is substituted in lieu thereof (*Effective October 1, 2011*):

1794 (a) After a merger, [if the survivor is a partnership,] the partnership
1795 may file a statement that one or more partnerships [or other entities]
1796 have merged into the surviving partnership.

1797 (b) A statement of merger shall contain, in addition to the
1798 requirements of statute for a certificate of merger or consolidation;
1799 [applicable to an other entity that is a party to the merger:]

1800 (1) The name of each partnership [or other entity] that is a party to
1801 the merger;

1802 (2) The name of the survivor into which the other partnerships [or
1803 other entities] were merged; and

1804 (3) The street address of the survivor's chief executive office and of
1805 an office in this state, if any. [; and]

1806 [(4) The type of entity of the survivor.]

1807 (c) Except as otherwise provided in subsection (d) of this section, for
1808 the purposes of section 34-323, property of the surviving partnership
1809 [or other entity] which before the merger was held in the name of
1810 another party to the merger is property held in the name of the
1811 survivor upon filing a statement of merger.

1812 (d) For the purposes of section 34-323, real property of the surviving
1813 partnership [or other entity] which before the merger was held in the
1814 name of another party to the merger is property held in the name of
1815 the survivor upon recording a certified copy of the statement of
1816 merger in the office for recording transfers of that real property.

1817 (e) A filed and, if appropriate, recorded statement of merger,
1818 executed and declared to be accurate pursuant to subsection (c) of
1819 section 34-305, stating the name of a partnership [or other entity] that
1820 is a party to the merger in whose name property was held before the
1821 merger and the name of the survivor, but not containing all of the
1822 other information required by subsection (b) of this section, operates
1823 with respect to the partnerships or other entities named to the extent
1824 provided in subsections (c) and (d) of this section.

1825 [(f) If the survivor is a limited liability partnership, a certificate
1826 meeting the requirements of section 34-33d shall be filed with the
1827 Secretary of the State.]

1828 Sec. 54. Subdivision (1) of section 22a-134 of the general statutes is
1829 repealed and the following is substituted in lieu thereof (*Effective*
1830 *October 1, 2011*):

1831 (1) "Transfer of establishment" means any transaction or proceeding
1832 through which an establishment undergoes a change in ownership, but
1833 does not mean:

1834 (A) Conveyance or extinguishment of an easement;

1835 (B) Conveyance of an establishment through a foreclosure, as

1836 defined in subsection (b) of section 22a-452f, foreclosure of a municipal
1837 tax lien or through a tax warrant sale pursuant to section 12-157, an
1838 exercise of eminent domain pursuant to section 8-128, 8-169e or 8-193
1839 or by condemnation pursuant to section 32-224 or purchase pursuant
1840 to a resolution by the legislative body of a municipality authorizing the
1841 acquisition through eminent domain for establishments that also meet
1842 the definition of a brownfield as defined in section 32-9kk or a
1843 subsequent transfer by such municipality that has foreclosed on the
1844 property, foreclosed municipal tax liens or that has acquired title to the
1845 property through section 12-157, or is within the pilot program
1846 established in subsection (c) of section 32-9cc, or has acquired such
1847 property through the exercise of eminent domain pursuant to section
1848 8-128, 8-169e or 8-193 or by condemnation pursuant to section 32-224
1849 or a resolution adopted in accordance with this subparagraph,
1850 provided (i) the party acquiring the property from the municipality
1851 did not establish, create or contribute to the contamination at the
1852 establishment and is not affiliated with any person who established,
1853 created or contributed to such contamination or with any person who
1854 is or was an owner or certifying party for the establishment, and (ii) on
1855 or before the date the party acquires the property from the
1856 municipality, such party or municipality enters and subsequently
1857 remains in the voluntary remediation program administered by the
1858 commissioner pursuant to section 22a-133x and remains in compliance
1859 with schedules and approvals issued by the commissioner. For
1860 purposes of this subparagraph, subsequent transfer by a municipality
1861 includes any transfer to, from or between a municipality, municipal
1862 economic development agency or entity created or operating under
1863 chapter 130 or 132, a nonprofit economic development corporation
1864 formed to promote the common good, general welfare and economic
1865 development of a municipality that is funded, either directly or
1866 through in-kind services, in part by a municipality, or a nonstock
1867 corporation or limited liability company controlled or established by a
1868 municipality, municipal economic development agency or entity
1869 created or operating under chapter 130 or 132;

1870 (C) Conveyance of a deed in lieu of foreclosure to a lender, as

1871 defined in and that qualifies for the secured lender exemption
1872 pursuant to subsection (b) of section 22a-452f;

1873 (D) Conveyance of a security interest, as defined in subdivision (7)
1874 of subsection (b) of section 22a-452f;

1875 (E) Termination of a lease and conveyance, assignment or execution
1876 of a lease for a period less than ninety-nine years including
1877 conveyance, assignment or execution of a lease with options or similar
1878 terms that will extend the period of the leasehold to ninety-nine years,
1879 or from the commencement of the leasehold, ninety-nine years,
1880 including conveyance, assignment or execution of a lease with options
1881 or similar terms that will extend the period of the leasehold to ninety-
1882 nine years, or from the commencement of the leasehold;

1883 (F) Any change in ownership approved by the Probate Court;

1884 (G) Devolution of title to a surviving joint tenant, or to a trustee,
1885 executor or administrator under the terms of a testamentary trust or
1886 will, or by intestate succession;

1887 (H) Corporate reorganization not substantially affecting the
1888 ownership of the establishment;

1889 (I) The issuance of stock or other securities of an entity which owns
1890 or operates an establishment;

1891 (J) The transfer of stock, securities or other ownership interests
1892 representing less than forty per cent of the ownership of the entity that
1893 owns or operates the establishment;

1894 (K) Any conveyance of an interest in an establishment where the
1895 transferor is the sibling, spouse, child, parent, grandparent, child of a
1896 sibling or sibling of a parent of the transferee;

1897 (L) Conveyance of an interest in an establishment to a trustee of an
1898 inter vivos trust created by the transferor solely for the benefit of one
1899 or more siblings, spouses, children, parents, grandchildren, children of

1900 a sibling or siblings of a parent of the transferor;

1901 (M) Any conveyance of a portion of a parcel upon which portion no
1902 establishment is or has been located and upon which there has not
1903 occurred a discharge, spillage, uncontrolled loss, seepage or filtration
1904 of hazardous waste, provided either the area of such portion is not
1905 greater than fifty per cent of the area of such parcel or written notice of
1906 such proposed conveyance and an environmental condition
1907 assessment form for such parcel is provided to the commissioner sixty
1908 days prior to such conveyance;

1909 (N) Conveyance of a service station, as defined in subdivision (5) of
1910 this section;

1911 (O) Any conveyance of an establishment which, prior to July 1, 1997,
1912 had been developed solely for residential use and such use has not
1913 changed;

1914 (P) Any conveyance of an establishment to any entity created or
1915 operating under chapter 130 or 132, or to an urban rehabilitation
1916 agency, as defined in section 8-292, or to a municipality under section
1917 32-224, or to the Connecticut Development Authority or any
1918 subsidiary of the authority;

1919 (Q) Any conveyance of a parcel in connection with the acquisition of
1920 properties to effectuate the development of the overall project, as
1921 defined in section 32-651;

1922 [(R) The conversion of a general or limited partnership to a limited
1923 liability company under section 34-199;]

1924 [(S)] (R) The transfer of general partnership property held in the
1925 names of all of its general partners to a general partnership which
1926 includes as general partners immediately after the transfer all of the
1927 same persons as were general partners immediately prior to the
1928 transfer;

1929 [(T)] (S) The transfer of general partnership property held in the

1930 names of all of its general partners to a limited liability company
1931 which includes as members immediately after the transfer all of the
1932 same persons as were general partners immediately prior to the
1933 transfer;

1934 [(U)] (T) Acquisition of an establishment by any governmental or
1935 quasi-governmental condemning authority;

1936 [(V)] (U) Conveyance of any real property or business operation that
1937 would qualify as an establishment solely as a result of (i) the
1938 generation of more than one hundred kilograms of universal waste in
1939 a calendar month, (ii) the storage, handling or transportation of
1940 universal waste generated at a different location, or (iii) activities
1941 undertaken at a universal waste transfer facility, provided any such
1942 real property or business operation does not otherwise qualify as an
1943 establishment; there has been no discharge, spillage, uncontrolled loss,
1944 seepage or filtration of a universal waste or a constituent of universal
1945 waste that is a hazardous substance at or from such real property or
1946 business operation; and universal waste is not also recycled, treated,
1947 except for treatment of a universal waste pursuant to 40 CFR
1948 273.13(a)(2) or (c)(2) or 40 CFR 273.33 (a)(2) or (c)(2), or disposed of at
1949 such real property or business operation; or

1950 [(W)] (V) Conveyance of a unit in a residential common interest
1951 community in accordance with section 22a-134i;

1952 Sec. 55. Section 33-182b of the general statutes is repealed and the
1953 following is substituted in lieu thereof (*Effective October 1, 2011*):

1954 This chapter shall not apply to any corporation organized prior to or
1955 after May 29, 1969, to perform professional services to the public under
1956 any other provision of existing law specifically authorizing the
1957 rendition of professional services by a corporation. Any such
1958 corporation may bring itself within the provisions of this chapter by
1959 amending its certificate of incorporation in such manner as to be
1960 consistent with all the provisions of this chapter and by affirmatively
1961 stating in the amended certificate of incorporation that the

1962 shareholders have elected to bring the corporation within the
1963 provisions of this chapter. [Any association formed and existing under
1964 the provisions of chapter 612 may bring itself within the provisions of
1965 this chapter by complying with the provisions of subsection (6) of
1966 section 34-82.]

1967 Sec. 56. Subsection (a) of section 34-363 of the general statutes is
1968 repealed and the following is substituted in lieu thereof (*Effective*
1969 *October 1, 2011*):

1970 (a) For two years after a partner dissociates without resulting in a
1971 dissolution and winding up of the partnership business, the
1972 partnership, including a surviving partnership under sections 34-384,
1973 as amended by this act, and 34-388 to [34-391] 34-390, inclusive, as
1974 amended by this act, is bound by an act of the dissociated partner
1975 which would have bound the partnership under section 34-322 before
1976 dissociation only if at the time of entering into the transaction the other
1977 party: (1) Reasonably believed that the dissociated partner was then a
1978 partner; (2) did not have notice of the partner's dissociation; and (3) is
1979 not deemed to have had knowledge under subsection (e) of section 34-
1980 324 or notice under subsection (c) of section 34-365.

1981 Sec. 57. Subsection (b) of section 34-364 of the general statutes is
1982 repealed and the following is substituted in lieu thereof (*Effective*
1983 *October 1, 2011*):

1984 (b) A partner who dissociates without resulting in a dissolution and
1985 winding up of the partnership business is liable as a partner to the
1986 other party in a transaction entered into by the partnership, or a
1987 surviving partnership under sections 34-384, as amended by this act,
1988 and 34-388 to [34-391] 34-390, inclusive, as amended by this act, within
1989 two years after the partner's dissociation, only if at the time of entering
1990 into the transaction the other party: (1) Reasonably believed that the
1991 dissociated partner was then a partner; (2) did not have notice of the
1992 partner's dissociation; and (3) is not deemed to have had knowledge
1993 under subsection (e) of section 34-324 or notice under subsection (c) of
1994 section 34-365.

1995 Sec. 58. Section 34-384 of the general statutes is repealed and the
1996 following is substituted in lieu thereof (*Effective October 1, 2011*):

1997 In this section and sections [34-385] 34-388 to [34-391] 34-390,
1998 inclusive, as amended by this act:

1999 (1) "General partner" means a partner in a partnership and a general
2000 partner in a limited partnership.

2001 (2) "Limited partner" means a limited partner in a limited
2002 partnership.

2003 (3) "Limited partnership" means a limited partnership created under
2004 sections 34-9 to 34-38r, inclusive, predecessor law or comparable law of
2005 another jurisdiction.

2006 (4) "Partner" includes both a general partner and a limited partner.

2007 Sec. 59. Sections 34-199, 34-200, 34-385 to 34-387, inclusive, and 34-
2008 391 of the general statutes are repealed. (*Effective October 1, 2011*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	New section
Sec. 3	<i>October 1, 2011</i>	New section
Sec. 4	<i>October 1, 2011</i>	New section
Sec. 5	<i>October 1, 2011</i>	New section
Sec. 6	<i>October 1, 2011</i>	New section
Sec. 7	<i>October 1, 2011</i>	New section
Sec. 8	<i>October 1, 2011</i>	New section
Sec. 9	<i>October 1, 2011</i>	New section
Sec. 10	<i>October 1, 2011</i>	New section
Sec. 11	<i>October 1, 2011</i>	New section
Sec. 12	<i>October 1, 2011</i>	New section
Sec. 13	<i>October 1, 2011</i>	New section
Sec. 14	<i>October 1, 2011</i>	New section
Sec. 15	<i>October 1, 2011</i>	New section
Sec. 16	<i>October 1, 2011</i>	New section

Sec. 17	October 1, 2011	New section
Sec. 18	October 1, 2011	New section
Sec. 19	October 1, 2011	New section
Sec. 20	October 1, 2011	New section
Sec. 21	October 1, 2011	New section
Sec. 22	October 1, 2011	New section
Sec. 23	October 1, 2011	New section
Sec. 24	October 1, 2011	New section
Sec. 25	October 1, 2011	New section
Sec. 26	October 1, 2011	New section
Sec. 27	October 1, 2011	New section
Sec. 28	October 1, 2011	New section
Sec. 29	October 1, 2011	New section
Sec. 30	October 1, 2011	New section
Sec. 31	October 1, 2011	New section
Sec. 32	October 1, 2011	New section
Sec. 33	October 1, 2011	New section
Sec. 34	October 1, 2011	New section
Sec. 35	October 1, 2011	33-182i
Sec. 36	October 1, 2011	33-815
Sec. 37	October 1, 2011	33-816
Sec. 38	October 1, 2011	33-817(4)
Sec. 39	October 1, 2011	33-819(a)
Sec. 40	October 1, 2011	33-820(a)
Sec. 41	October 1, 2011	33-820(d)
Sec. 42	October 1, 2011	34-33a
Sec. 43	October 1, 2011	34-33b
Sec. 44	October 1, 2011	34-33d
Sec. 45	October 1, 2011	34-33f
Sec. 46	October 1, 2011	34-82
Sec. 47	October 1, 2011	34-193
Sec. 48	October 1, 2011	34-195
Sec. 49	October 1, 2011	34-196
Sec. 50	October 1, 2011	34-197
Sec. 51	October 1, 2011	34-388
Sec. 52	October 1, 2011	34-389
Sec. 53	October 1, 2011	34-390
Sec. 54	October 1, 2011	22a-134(1)
Sec. 55	October 1, 2011	33-182b
Sec. 56	October 1, 2011	34-363(a)
Sec. 57	October 1, 2011	34-364(b)

Sec. 58	October 1, 2011	34-384
Sec. 59	October 1, 2011	Repealer section

Statement of Legislative Commissioners:

In section 2(8), the phrase ", unless the context otherwise requires" was added for conformity with the provisions of sections 29 to 34, inclusive. In section 19(a)(1)(B), "subsection (d)" was changed to "subsection (c)" for accuracy of the internal reference, and "approval or a merger" was changed to "approval of a merger" for accuracy. In section 31(a)(1)(C), "subparagraph(B)(ii) of this subsection" was changed to "subparagraph (B)(ii) of this subdivision" for accuracy. In section 38, the first occurrence of "[organizational documents]" was changed to "[or organizational documents]" for accuracy. In section 46, the subsection and subdivision designators were changed for conformity with the other provisions of the general statutes.

BA *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Secretary of the State	GOBonds - Cost	1,000,000	None
Judicial Dept.	GF - Cost	139,500	152,000
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	25,500	34,000

Note: GOBonds=General Obligation Bonds; GF=General Fund

Municipal Impact: None

Explanation

The bill makes changes to provisions involving business entities based on the Model Entity Transaction Act. In order for the Secretary of the State (SOS) to implement these changes, various updates must be made to the Connecticut Online Network Commercial Recording (CONCORD). It is estimated to cost SOS approximately \$1 million to implement these changes. This upgrade, along with others, was included in the \$5.5 million bond recommendation made by the Governor for SOS.

The bill requires the Chief Court Administrator to establish a corporate, securities and transactional matters docket in one or more court locations. The bill specifies that the Judicial Department implement the provisions of the bill within available appropriations. However, if the bill were to be implemented, the costs to the Judicial Department would be \$139,500 in FY 12¹. Detail on the FY 12 costs can be found in the table below.

Position	Salary	Fringe	Total
Court Reporter	\$ 39,750	\$ 9,375	\$ 49,125

¹ Reflects Oct. 1, 2011 effective date and ¾ year funding.

Court Officer	\$ 46,500	\$ 9,525	\$ 56,025
Judicial Marshal	\$ 27,750	\$ 6,600	\$ 34,350
Total	\$114,000	\$25,500	\$139,500

Costs would increase to approximately \$186,000 in FY 13 (\$152,000 Judicial; \$34,000 fringe benefits) to reflect full year implementation.

The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated non-pension fringe benefit cost associated with personnel changes is 23.76% of payroll in FY 12 and FY 13. In addition, there could be an impact to potential liability for the applicable state pension funds.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Pension-related costs for the identified personnel changes will be recognized in the state's annual required pension contribution as of FY 14.

OLR Bill Analysis**sHB 6497*****AN ACT CREATING JOBS BY ENHANCING CONNECTICUT'S
CORPORATE AND SECURITIES LAWS.*****SUMMARY:**

This bill creates a mechanism for specified business entities to change their entity type through mergers, conversions, and interest exchanges. It also allows domestications, through which a business entity becomes an entity of the same type in another jurisdiction. Subject to various conditions, the bill allows these transactions to involve both domestic and foreign entities. These provisions are based on the Model Entity Transactions Act (see BACKGROUND).

The bill does not affect existing law for transactions involving the same entity types (for example, a share exchange between two corporations or the merger of two partnerships). However, it replaces current law's provisions for changing from one entity type to another (for example, provisions allowing a partnership to convert into a limited liability company (LLC)). Current law authorizes some, but not all, of the transactions covered by the bill. Thus, the bill both expands the available transactions and standardizes procedures for transactions involving different entity types.

To enter into one of these transactions, specified parties must approve a transaction plan. The bill sets the plan's contents as well as which entities must approve it and how they must do so. The approval method is largely tied to existing law for approval of such transactions. The bill also provides how parties may amend or abandon a plan.

For the transaction to take effect, the bill requires specified parties to the transaction to file documents with the secretary of the state and

outlines procedures and contents for them. The bill also outlines the various consequences of the transactions taking effect, including how the parties succeed to the rights and liabilities of the entities involved in the transaction.

The bill's procedural requirements are generally similar to those for transactions already permitted by law (for example, mergers or share exchanges of business corporations). In many cases the bill's requirements are more detailed than those under existing law.

The bill also requires the chief court administrator, within available appropriations, to create a corporate, securities, and transactional matters docket for cases relating to complex corporate and securities matters and business transactions, including mergers and acquisitions. The docket may be in one or more court locations.

The bill allows the Superior Court to transfer any corporate, securities, or transactional matter to this separate docket. It also allows any person to consent to the docket's jurisdiction despite the lack of a basis for jurisdiction over the person.

The bill requires the chief court administrator to:

1. assign to the docket one or more judges with specific expertise and experience in complex corporate and securities matters and business transactions as specified above;
2. assign necessary staff;
3. establish a fee schedule for matters assigned to the docket;
4. establish policies and procedures to implement the docket; and
5. by July 1, 2012, submit a report on the docket to the Banks and Judiciary committees.

EFFECTIVE DATE: October 1, 2011

§ 10 — ENTITIES COVERED BY THE MODEL ENTITY TRANSACTIONS ACT

The bill permits transactions involving both domestic and foreign entities, subject to limitations for particular transactions. It generally defines a domestic entity as one whose internal affairs are governed by Connecticut law.

The bill generally applies to transactions involving the following entities:

1. business corporations;
2. professional service corporations;
3. general partnerships, including limited liability partnerships (LLPs);
4. limited partnerships, including limited liability limited partnerships; or
5. LLCs.

The bill prohibits several types of entities from participating in transactions under the bill and specifies that it must not be used to effect a transaction involving any of these prohibited entities. These prohibited entities include:

1. business corporations formed under special act;
2. cooperative associations formed under CGS chapter 595;
3. cooperative marketing corporations formed under chapter 596;
4. electric cooperative corporations formed under chapter 597;
5. worker cooperative corporations formed under chapter 599a;
6. insurance companies, health care centers, and other corporations formed under chapters 697 and 698;

7. health care centers, related service groups, hospital service corporations, medical service corporations, and other corporations formed under chapter 698a;
8. prepaid legal service corporations formed under chapter 698b;
9. risk retention groups formed and organized under chapter 698;
10. fraternal benefit societies formed under chapter 700d;
11. banks, related organizations, and other corporations formed under chapters 664, 664b, and 666;
12. credit unions formed under chapter 667;
13. public service companies formed under chapter 277;
14. title insurance companies formed under chapter 700a;
15. out-of-state banks formed under chapter 666;
16. nondepository institutions formed under chapter 668;
17. nonprofit or not-for-profit corporations;
18. religious corporations and societies formed under chapter 598;
19. nonstock corporations formed under chapter 602;
20. unincorporated nonprofit associations;
21. cooperatives;
22. business trusts or statutory trust entities; and
23. any person, other than explicitly permitted entities, with a separate legal existence or the power to acquire an interest in real property in its own name other than (a) an individual; (b) a testamentary, inter vivos, or charitable trust, with the exception of a business trust, statutory trust entity or similar trust; (c) an association or relationship that is not a partnership solely by

reason of the law of any other jurisdiction; (d) a decedent's estate; or (e) a government, a governmental subdivision, agency, or instrumentality or quasi-governmental instrumentality.

The bill does not apply to conversions, mergers, consolidations, interest exchanges, divisions, or other transactions between or among entities of the same type.

PERMITTED TRANSACTIONS

§ 11 — Merger

The bill defines a merger as a transaction in which two or more merging entities are combined into a surviving entity pursuant to a filing with the secretary of the state. A merging entity is a party that exists immediately before the merger takes effect. A surviving entity is one that continues in existence after a merger or that is created by a merger.

Subject to the exceptions outlined below, the bill provides a mechanism for the merger of (1) one or more domestic entities with one or more domestic or foreign entities into a domestic or foreign surviving entity and (2) two or more foreign entities into a domestic entity. The bill specifies that, as long as the merger is authorized by the law where a foreign entity is organized, that entity may be a party to, or the surviving entity of, the merger.

The bill does not apply to mergers involving entities not covered by the bill or mergers governed by existing law between:

1. domestic corporations or domestic and foreign corporations;
2. domestic limited partnerships or domestic and foreign limited partnerships;
3. partnerships or limited liability partnerships; or
4. domestic LLCs or domestic and foreign LLCs.

§ 17 — Interest Exchange

The bill creates a mechanism for interest exchanges between (1) a domestic entity and (2) another domestic entity or a foreign entity (but not between two foreign entities). Through such an interest exchange, one entity acquires all of one or more of the other entity's classes or series of interests, in exchange for interests, securities, obligations, rights to acquire interests or securities, cash, other property, or any combination of these.

A foreign entity that complies with the bill's requirements may be a party to an interest exchange, as long as the exchange is authorized by the law where it is organized.

Under the bill, an acquired entity is one in which all of one or more classes or series of interests are acquired in an interest exchange. The acquiring entity is the entity that acquires all of one or more classes or series of interests of the acquired entity.

The bill defines an interest, unless the context otherwise requires, as a (1) governance or transferable interest in an unincorporated entity or (2) share or membership in a corporation.

§ 23 — Conversion

The bill creates a mechanism for a domestic entity to convert into (1) a domestic entity of a different type or (2) a foreign entity of a different type, as long as the conversion is authorized by the law of the foreign jurisdiction.

The bill defines a converted entity as the entity that continues in existence after a conversion. A converting entity is either a domestic entity that approves a plan of conversion pursuant to the bill or a foreign entity that approves a conversion pursuant to the law where it is organized.

A foreign entity that complies with the bill's requirements may convert into a domestic entity of a different type, as long as the conversion is authorized by the law where the entity is organized or its organic rules.

§ 29 — Domestication

The bill also creates a mechanism for a domestic entity to become a domestic entity of the same type in a foreign jurisdiction, as long as the domestication is authorized by the law of the foreign jurisdiction. For the bill's provisions on domestications, a domestic entity means, with respect to a foreign jurisdiction, an entity whose internal affairs are governed by the law of the foreign jurisdiction.

A foreign entity that complies with the bill's requirements may become a domestic entity of the same type in Connecticut if the domestication is authorized by the law of its jurisdiction of organization.

The bill defines a domesticated entity as the entity as it continues in existence after a domestication. A domesticating entity is either the domestic entity that approves a plan of domestication pursuant to the bill or the foreign entity that approves a domestication pursuant to the law of its jurisdiction of organization.

§§ 12, 18, 24, 30 — PLAN REQUIREMENT AND CONTENTS

The bill requires specified domestic entities seeking to enter a transaction permitted by the bill to approve a plan of merger, interest exchange, conversion, or domestication. The required approving parties are: for mergers, a party to the merger; for interest exchanges, the acquired entity; for conversions, a party converting to a different entity type; and for domestications, a party becoming a foreign entity. For all four transaction categories, the plan must be in a record. Under the bill, a record is information that is (1) inscribed on a tangible medium or (2) stored in an electronic or other medium and retrievable in perceivable form.

The bill requires the following information in a plan, but the plan may contain other provisions that are not prohibited by law.

Identifying Information

Under the bill, plans must contain:

1. for a merger: each merging entity's name, jurisdiction of organization, and type; and if the surviving entity is created in the merger, a statement to that effect and the entity's name, jurisdiction of organization, and type;
2. for an interest exchange: the acquired entity's name and type and the acquiring entity's name, jurisdiction of organization, and type;
3. for a conversion: the converting entity's name and type and the converted entity's name, jurisdiction of organization, and type; and
4. for a domestication: the domesticating entity's name and type and the domesticated entity's name and jurisdiction of organization.

Public Organic Documents and Private Organic Rules

Under the bill, a public organic document is a public record whose filing creates an entity, as well as any amendment to or restatement of that record. Private organic rules are the rules, whether or not in a record, that govern an entity's internal affairs, are binding on all of its interest holders, and are not part of its public organic document, if any.

Plans must contain:

1. for a merger: if the surviving entity exists before the merger, any proposed amendments to that entity's public organic document or private organic rules that are, or are proposed to be, in a record; if the survivor is to be created in the merger, that entity's proposed public organic document, if any, and the full text of its private organic rules that are proposed to be in a record;
2. for an interest exchange: any proposed amendments to the public organic document or private organic rules that are, or are proposed to be, in a record of the acquired entity;
3. for a conversion: the converted entity's proposed public organic

document, if it will be a filing entity (meaning an entity that is created by filing a public organic document); and the full text of its private organic rules that are proposed to be in a record; and

4. for a domestication: the domesticated entity's proposed public organic document if it is a filing entity and the full text of its private organic rules that are proposed to be in a record.

For each type of transaction, the plan must also contain any other provisions required by the organic rules of a merging, acquired, converting, or domesticating entity, as applicable.

Other Required Laws

Under the bill, plans must contain:

1. for a merger: any other provisions required by the law of a merging entity's jurisdiction of organization and
2. for other transaction categories: any other provisions required by Connecticut law.

Manner of Conversion and Other Terms

For each type of transaction, plans must also contain:

1. the manner of converting the interests in each merging party, acquired entity, converting entity, or domesticating entity into interests, securities, obligations, rights to acquire interests or securities, cash, other property, or any combination of these and
2. the transaction's other terms and conditions.

§§ 13, 19, 25, 31—PLAN APPROVAL

Under the bill, "approve" means an entity's governors and interest holders taking whatever steps are necessary under its organic rules, organic law, and other law to (1) propose a transaction subject to the bill, (2) adopt and approve the transaction's terms and conditions, and (3) conduct any required proceedings or otherwise obtain any required votes or consents of the governors or interest holders.

A governor is a person by or under whose authority an entity's powers are exercised and under whose direction the entity's business and affairs are managed pursuant to its organic law and rules. An interest holder is a direct holder of an interest. An entity's organic rules are its public organic document and private organic rules. An entity's organic law refers to statutes (other than the bill), if any, governing the entity's internal affairs.

The bill provides that plans are not effective until approved, as specified below.

Under the bill, approval must be in a record by each interest holder of a domestic merging, acquired, converting, or domesticating entity, as applicable, that has interest holder liability for liabilities that arise after the transaction takes effect. The requirement for each interest holder's approval does not apply for an entity that is not a business corporation or, except for interest exchanges, a nonprofit corporation if (1) the entity's organic rules provide in a record for the approval of an applicable transaction or a merger in which some or all of the entity's interest holders become subject to interest holder liability by the vote or consent of fewer than all interest holders and (2) the interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the provision was adopted.

Under the bill, interest holder liability is

1. personal liability for an entity's liability that is imposed on a person (a) solely because of the person's status as an interest holder or (b) by the entity's organic rules authorized by the organic law making one or more specified interest holders or categories of them liable in their capacity as interest holders for all or specified liabilities or
2. an interest holder's obligation under an entity's organic rules to contribute to the entity.

The following additional requirements apply to specific

transactions.

Merger

Under the bill, for a domestic merging entity that is not a business corporation, the plan of merger must be approved in accordance with the requirements, if any, in its organic law and organic rules for merger approval. For example, the bill requires a Connecticut LLC merging with a different entity type to approve the transaction as provided by Connecticut law for LLC mergers (CGS § 34-194) and the LLC's organic rules for merger approval.

For a domestic merging business corporation, the plan must be approved (1) in accordance with any requirements in its organic law and rules for approval of a merger requiring approval by a vote of the corporation's interest holders or (2) if its organic law and rules do not provide for such a merger approval, by all of the entity's interest holders entitled to vote on or consent to any matter.

Interest Exchange

The plan must be approved by a domestic acquired entity, as follows:

1. in accordance with the requirements, if any, in its organic law and organic rules for approval of an exchange of interests;
2. if the organic law and rules do not provide for approval of an exchange of interests, then in accordance with the requirements, if any, in its organic law and rules for merger approval, as if the interest exchange were a merger; or
3. if the organic law and rules do not provide for approval of an exchange of interests or a merger, by all of the entity's interest holders entitled to vote on or consent to any matter.

The bill specifies that, except as otherwise provided in its organic law or rules, an acquiring entity's interest holders do not have to approve the transaction.

Conversion

The plan must be approved by a domestic converting entity, as follows:

1. in accordance with the requirements, if any, in its organic rules for approval of a conversion;
2. if the organic rules do not provide for approval of a conversion, then in accordance with the requirements, if any, in its organic law and rules for approval of (a) for all entities other than a business corporation, a merger, as if the conversion were a merger or (b) for corporations, a merger requiring approval by a vote of the corporation's interest holders, as if the conversion were such a merger; or
3. if the organic law and rules do not provide for approval of a conversion or a merger as specified above, by all of the entity's interest holders entitled to vote on or consent to any matter.

Domestication

The plan must be approved by a domestic domesticating entity, as follows:

1. in accordance with the requirements, if any, in its organic rules for approval of a domestication;
2. if the organic rules do not provide for approval of a domestication, then in accordance with the requirements, if any, in its organic law and rules for approval of (a) for all entities other than a business corporation, a merger, as if the domestication were a merger or (b) for business corporations, a merger requiring approval by a vote of the corporation's interest holders, as if the domestication were such a merger; or
3. if the organic law and rules do not provide for approval of a domestication or a merger requiring approval by the interest holders' vote, by all of the entity's interest holders entitled to

vote on or consent to any matter.

Foreign Entity Approval

Under the bill, a transaction involving a foreign merging, acquired, converting, or domesticating entity is not effective unless it is approved by the foreign entity in accordance with the law where the foreign entity is organized, and for a conversion, that entity's organic rules.

§§ 14, 20, 26, 32 — PLAN AMENDMENT

The bill outlines procedures for amending the plans of a domestic merging, acquired, converting, or domesticating entity. For all transaction categories, a plan may be amended in the same manner as it was approved, as long as the plan does not specify a different manner of amendment.

Alternatively, the plan may be amended by the entity's governors or interest holders in the manner provided in the plan. However, interest holders entitled to vote on or consent to approval of the transaction are entitled to vote on or consent to amendments that change:

1. the amount or kind of interests, securities, obligations, rights to acquire interests or securities, cash, other property, or any combination of these, to be received by the interest holders of any party to a merger or the acquired, converting, or domesticating entity;
2. the surviving, acquired, converted, or domesticated entity's public organic document or private organic rules that will be in effect immediately after the transaction takes effect, except for changes that do not require approval of that entity's interest holders under its organic law or rules; or
3. other plan terms or conditions, if the change would adversely affect the interest holder in a material respect.

§§ 14, 20, 26, 32 — PLAN ABANDONMENT

After a domestic merging, acquired, converting, or domesticating entity, as applicable, approves a plan, and before a transaction filing document, such as a certificate of merger, becomes effective, the plan may be abandoned (1) as provided in the plan or (2) in the same manner as the plan was approved, unless the plan prohibits it.

The bill specifies procedures for a plan to be abandoned after a transaction filing document has been filed with the secretary of the state but before the filing takes effect. If this happens, a statement of abandonment (for mergers or domestications) or certificate of abandonment (for interest exchanges or conversions) must be filed with the secretary of the state before the transaction filing document takes effect. The statement or certificate of abandonment takes effect upon its filing.

The statement or certificate of abandonment must be signed on the entity's behalf and contain

1. the entity's name (for mergers, the name of each merging or surviving entity that is a domestic or qualified foreign entity),
2. the transaction filing document filing date, and
3. a statement that the transaction has been abandoned in accordance with the bill's requirements.

A qualified foreign entity is a foreign entity that is authorized to transact business in Connecticut pursuant to a filing with the secretary of the state.

§§ 15, 21, 27, 33 — TRANSACTION FILING DOCUMENTS

For each transaction category, the bill requires a document to be filed with the secretary of the state. The documents are referred to as a certificate of merger (the bill also refers to a statement of merger), statement of domestication, certificate of interest exchange, or certification of conversion, as applicable. The documents take effect on the date and time of filing or when specified in the document. They

must be signed on behalf of each merging entity or a domestic acquired, converting, or domesticating entity, as applicable.

Transaction filing documents must contain the following information. They may also contain any other lawful provisions.

Effective Date

If the transaction filing document is not to be effective upon filing, the document must specify the date and time when it takes effect, which except for conversions, must not be later than 90 days after the filing date.

Identifying Information

The filing document must contain:

1. for a merger: the name, jurisdiction of organization, and type of (a) the surviving entity and (b) each merging entity that is not the survivor;
2. for an interest exchange: the acquired entity's name and type and the acquiring entity's name, jurisdiction of organization, and type;
3. for a conversion: both the converting and converted entity's name, jurisdiction of organization, and type; and
4. for a domestication: the domesticating entity's name, jurisdiction of organization, and type and the domesticated entity's name and jurisdiction of organization.

Statements of Approval

The filing document must contain:

1. for a merger: a statement that the merger was approved by each (a) domestic merging entity, if any, according to the bill's requirements and (b) foreign merging entity, if any, according to the law of its jurisdiction of organization;

2. for an interest exchange: a statement that the plan of interest exchange was approved by the acquired entity, in accordance with the bill's requirements;
3. for a conversion: if the converting entity is domestic, a statement that the plan of conversion was approved according to the bill's requirements; or if the converting entity is foreign, a statement that the conversion was approved by it according to the law of its jurisdiction of organization; and
4. for a domestication: if the domesticating entity is domestic, a statement that the plan of domestication was approved according to the bill's requirements; or if the domesticating entity is foreign, a statement that the domestication was approved in accordance with the law of its jurisdiction of organization.

Public Organic Documents

The filing document must contain:

1. for a merger: if the surviving entity exists before the merger and is a domestic filing entity, any amendment to its public organic document approved as part of the plan of merger; if the surviving entity is created by the merger and is a domestic filing entity, its public organic document, attached to the certificate (a domestic limited liability partnership must attach its certificate of limited liability partnership);
2. for an interest exchange: any amendments to the acquired entity's public organic document as part of the plan of interest exchange;
3. for a conversion: if the converted entity is a domestic filing entity, the text of its public organic document, as an attachment; if it is a domestic limited liability partnership, the text of its certificate of limited liability partnership, as an attachment; and

4. for a domestication: if the domesticated entity is a domestic filing entity, its public organic document, as an attachment; if it is a domestic LLP, its LLP certificate, as an attachment.

If the surviving entity of a merger, or the converted or domesticated entity, as applicable, is domestic, its public organic document, if any, must satisfy the requirements of Connecticut law, except it (1) need not be signed and (2) may omit any provisions that are not required to be included in a restatement of the public organic document.

Address for Service of Process

If the (1) surviving entity of a merger, (2) converted entity, or (3) domesticated entity is a foreign entity that is not a qualified foreign entity, the filing document must contain a mailing address to which the secretary of the state may send any process served on the secretary pursuant to the bill's requirements for the collection and enforcement of liabilities.

§§ 16, 22, 28, 34 — RESULT OF TRANSACTIONS TAKING EFFECT

The bill specifies several results that follow when transactions the bill authorizes take effect. While there is considerable overlap among the four transaction categories, there are differences between each category.

Merger

When the merger becomes effective under the bill, the surviving entity continues to exist or comes into existence, and each merging entity that is not the surviving entity ceases to exist.

Each merging entity's property vests in the surviving entity without assignment, reversion, or impairment, and each merging entity's liabilities become liabilities of the survivor. If the surviving entity exists before the merger, its property continues to be vested in it without reversion or impairment and it remains subject to all of its liabilities.

Except as provided by law or the merger plan, each merging entity's

rights, privileges, immunities, powers, and purposes vest in the surviving entity. A surviving entity that exists before the merger retains its rights, privileges, immunities, powers, and purposes.

The surviving entity's name may be substituted for that of any merging entity that is a party to a pending action or proceeding.

If the surviving entity exists before the merger, its public organic document, if any, must be amended as provided in the statement of merger and is binding on its interest holders. Any private organic rules that are to be in a record must be amended as provided in the plan of merger and are binding on and enforceable by (1) its interest holders and (2) for surviving entities that are not business corporations, any other party to an agreement that is part of the surviving entity's private organic rules.

If the surviving entity is created by the merger, any public organic document is effective and binding on its interest holders. Its private organic rules are effective and binding on and enforceable by (1) its interest holders and (2) for surviving entities that are not business corporations, any other party to an agreement that was part of the organic rules of a merging entity if that person has agreed to be a party to an agreement that is part of the surviving entity's private organic rules.

The interests in each merging entity that are to be converted in the merger are converted after the merger takes effect. The interest holders are entitled only to the rights provided to them under the merger plan and to any appraisal rights they have under the bill and the merging entity's organic law.

Except as otherwise provided in the merging entity's organic law or rules, the merger does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon the merging entity's dissolution, liquidation, or winding-up.

When a merger takes effect, a person that did not have interest

holder liability with respect to a merging entity and that becomes subject to such liability with respect to a domestic entity as a result of a merger has such liability only to the extent provided by the entity's organic law and only for those liabilities that arise after the merger becomes effective.

When a merger becomes effective under the bill, the interest holder liability of a person that no longer holds an interest in a domestic merging entity with respect to which the person had such liability is as follows:

1. the merger does not discharge any interest holder liability under the domestic merging entity's organic law to the extent it arose before the merger became effective;
2. the person does not have interest holder liability under the domestic merging entity's organic law for any liability arising after the merger becomes effective;
3. the domestic merging entity's organic law continues to apply to the release, collection, or discharge of any interest holder liability preserved under (1) above as if the merger had not occurred and the surviving entity were the domestic merging entity; and
4. the person has whatever rights of contribution from any other person the domestic merging entity's organic law or rules provide with respect to any interest holder liability preserved under (1) above as if the merger had not occurred.

When a merger becomes effective, a foreign entity that is the surviving entity may be served with process in Connecticut for the collection and enforcement of any liabilities of a domestic merging entity. Such a foreign entity must appoint the secretary of the state as its agent for service of process for collecting or enforcing such liabilities. The certificate of authority or other foreign qualification of any foreign merging entity that is not the surviving entity is canceled.

Interest Exchange

Under the bill, when an interest exchange becomes effective, the acquired entity's interests that are the subject of the exchange cease to exist or are converted or exchanged, and those interests' interest holders are entitled only to the rights provided to them under the plan and to any appraisal rights they have under the bill and the acquired entity's organic law. The acquiring entity becomes the interest holder of the interests in the acquired entity stated in the plan.

The acquired entity's public organic document, if any, must be amended as provided in the certificate of interest exchange and is binding on its interest holders. The acquired entity's private organic rules that are to be in a record, if any, must be amended to the extent provided in the plan and be binding on and enforceable by (1) its interest holders and (2) for an acquired entity that is not a corporation, any other person that is a party to an agreement that is part of the acquired entity's private organic rules.

Except as otherwise provided in the acquired entity's organic law or rules, the interest exchange does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon the acquired entity's dissolution, liquidation, or winding-up.

When an interest exchange becomes effective, a person that did not have interest holder liability with respect to the acquired entity and that becomes subject to such liability with respect to a domestic entity as a result of the interest exchange has such liability only to the extent provided by the entity's organic law and only for those liabilities that arise after the interest exchange becomes effective.

When an interest exchange becomes effective, the interest holder liability of a person that no longer holds an interest in a domestic acquired entity with respect to which the person had interest holder liability is as follows:

1. the interest exchange does not discharge any interest holder liability under the domestic acquired entity's organic law to the extent the interest holder liability arose before the interest

exchange became effective;

2. the person does not have interest holder liability under the domestic acquired entity's organic law for any liability that arises after the interest exchange becomes effective;
3. the domestic acquired entity's organic law continues to apply to the release, collection, or discharge of any interest holder liability preserved under (1) above as if the interest exchange had not occurred; and
4. the person has whatever rights of contribution from any other person the domestic acquired entity's organic law or rules provide with respect to any interest holder liability preserved under (1) above as if the interest exchange had not occurred.

Existing law on the effect of a business corporation's share exchange does not address some of these topics, but does include similar provisions regarding (1) the rights of former shareholders and (2) the non-release of liabilities that arose prior to the share exchange (CGS § 33-820).

Conversion

When a conversion becomes effective, the converted entity is organized under and subject to the converted entity's organic law. The converted entity is also the same entity as the converting entity without interruption.

The converting entity's property continues to be vested in the converted entity without assignment, reversion, or impairment. The converting entity's liabilities continue as liabilities of the converted entity.

Except as provided by other law or the conversion plan, the converting entity's rights, privileges, immunities, powers, and purposes remain in the converted entity.

The converted entity's name may be substituted for that of the

converting entity in a pending action or proceeding.

If the converted entity is a filing entity, its public organic document is effective and binding on its interest holders. If it is an LLP, its LLP certificate is effective simultaneously.

The converted entity's private organic rules that are to be in a record, if any, approved as part of the plan are effective and binding on and enforceable by (1) its interest holders and (2) for a converted entity that is not a corporation, any other party to an agreement that is part of the entity's private organic rules.

The converting entity's interests are converted, and that entity's interest holders are entitled only to the rights provided to them under the plan and to any appraisal rights they have under the bill and the entity's organic law.

Except as otherwise provided in the converting entity's organic law or rules, the conversion does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon the converting entity's dissolution, liquidation, or winding-up.

When a conversion becomes effective, a person that did not have interest holder liability with respect to the converting entity and that becomes subject to such liability with respect to a domestic entity as a result of a conversion has interest holder liability only to the extent provided by the entity's organic law and only for those liabilities that arise after the conversion becomes effective.

When a conversion becomes effective:

1. the conversion does not discharge any interest holder liability under a domestic converting entity's organic law to the extent the interest holder liability arose before the conversion became effective;
2. a person does not have interest holder liability under a domestic converting entity's organic law for any liability that arises after

the conversion becomes effective;

3. a domestic converting entity's organic law continues to apply to the release, collection, or discharge of any interest holder liability preserved under (1) above as if the conversion had not occurred; and
4. a person has whatever rights of contribution from any other person the domestic converting entity's organic law or rules provide with respect to any interest holder liability preserved under (1) above as if the conversion had not occurred.

When a conversion becomes effective, a foreign entity that is the converted entity may be served with process in Connecticut for the collection and enforcement of any of its liabilities. Such a foreign entity must appoint the secretary of the state as its agent for service of process for collecting or enforcing such liabilities.

If the converting entity is a qualified foreign entity, its certificate of authority or other foreign qualification is canceled when the conversion becomes effective.

A conversion does not require the entity to wind up its affairs and does not constitute or cause the entity's dissolution.

These provisions are much more detailed than existing law for the effect of certain conversions. For example, the bill repeals current law on a partnership converting into a limited partnership, or vice versa. Current law provides that the new entity is for all purposes the same entity as it was before the conversion. When the conversion takes effect:

1. all property owned by the converting entity remains vested in the converted entity;
2. all of the converting entity's obligations continue as obligations of the converted entity; and

3. a pending action or proceeding against the converting entity may be continued as if the conversion had not occurred (CGS § 34-387).

Domestication

When a domestication becomes effective, the domesticated entity is organized under and subject to the domesticated entity's organic law. The domesticated entity is the same entity without interruption as the domesticating entity.

The domesticating entity's property continues to be vested in the domesticated entity without assignment, reversion, or impairment. The domesticating entity's liabilities continue as liabilities of the domesticated entity. Except as provided by other law or the plan, the domesticating entity's rights, privileges, immunities, powers, and purposes remain in the domesticated entity.

The domesticated entity's name may be substituted for that of the domesticating entity in a pending action or proceeding.

If the domesticated entity is a filing entity, its public organic document is effective and binding on its interest holders. If it is an LLP, its certificate of limited partnership is effective simultaneously.

Any private organic rules of the domesticated entity that are to be in a record approved as part of the plan are effective and binding on and enforceable by (1) its interest holders and (2) for a domesticated entity that is not a business corporation, any other party to an agreement that is part of the entity's private organic rules.

The interests in the domesticating entity are converted to the extent and in the manner approved in connection with the domestication. The domesticating entity's interest holders are entitled only to the rights provided to them under the plan and to any appraisal rights they have under the bill and the domesticating entity's organic law.

Except as otherwise provided in the domesticating entity's organic

law or rules, the domestication does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon the domesticating entity's dissolution, liquidation or winding-up.

When a domestication becomes effective, a person that did not have interest holder liability with respect to the domesticating entity and that becomes subject to such liability with respect to a domestic entity as a result of the domestication has interest holder liability only to the extent provided by the entity's organic law and only for those liabilities that arise after the domestication becomes effective.

When a domestication becomes effective:

1. the domestication does not discharge any interest holder liability under a domesticating domestic entity's organic law to the extent the interest holder liability arose before the domestication became effective;
2. a person does not have interest holder liability under a domestic domesticating entity's organic law for any liability that arises after the domestication becomes effective;
3. a domestic domesticating entity's organic law continues to apply to the release, collection, or discharge of any interest holder liability preserved under (1) above as if the domestication had not occurred; and
4. a person has whatever rights of contribution from any other person the domestic domesticating entity's organic law or rules provide with respect to any interest holder liability preserved under (1) above as if the domestication had not occurred.

When a domestication becomes effective, a foreign entity that is the domesticated entity may be served with process in Connecticut for the collection and enforcement of any of its liabilities. Such a foreign entity must appoint the secretary of the state as its agent for service of process for collecting or enforcing such liabilities. If the domesticating entity is a qualified foreign entity, its certificate of authority or other

foreign qualification is canceled when the domestication becomes effective.

A domestication does not require the entity to wind up its affairs and does not constitute or cause the entity's dissolution.

GENERAL PROVISIONS

§ 3 — Other Law

The bill specifies that principles of law and equity supplement it, unless particular provisions of the bill displace them. It also specifies that it does not authorize any illegal action or affect the application or requirements of law.

Transactions under the bill do not create or impair rights or obligations on the part of anyone under a provision of Connecticut law relating to a change in control, takeover, business combination, control-share acquisition, or similar transaction involving a domestic merging, acquired, converting, or domesticating corporation unless either of the following occur: (1) the transaction satisfies the requirements of such provisions, provided the corporation does not survive the transaction or (2) the approval of the plan is by a sufficient vote of shareholders or directors to create or impair the right or obligation directly under the provision, provided the corporation survives the transaction.

§ 4 — Government Notification

Under the bill, if an entity needs to notify or obtain the approval of a governmental agency or officer to be a party to a merger, it must do so in order to be a party to an interest exchange, conversion, or domestication. The requirement applies to both domestic and foreign entities.

§ 4 — Charitable Property

If an entity holds property for a charitable purpose immediately before a transaction under the bill takes effect, the bill provides that generally, the transaction does not divert that property from the

objects for which it was donated, granted, or devised. However, this does not apply if the entity obtains an appropriate order of the attorney general specifying how the property is to be disposed, to the extent required by or pursuant to Connecticut law concerning cy pres (see BACKGROUND) or other law concerning nondiversion of charitable assets.

The bill specifies that these rules apply for both domestic and foreign entities.

§ 5 — Public Organic Document

Under the bill, a filing that is signed by a domestic entity becomes part of the entity's public organic document, as long as the entity's organic law provides that similar filings under such law become part of its public organic document.

§ 6 — Other Manner of Accomplishing Results

The fact that a transaction under the bill produces a certain result does not preclude the same result from being accomplished in another lawful manner.

§ 7 — Facts Outside of Plan

Under the bill, plans of merger, interest exchange, conversion, or domestication may refer to facts ascertainable outside of the plan, as long as the plan specifies the manner in which the facts operate on the plan. The facts may include an event's occurrence or a person's determination or action, whether or not a party to the transaction controls the event, determination, or action.

§ 8 — Transaction Approval

The bill provides that, except as otherwise provided by a domestic entity's organic law or rules, the unanimous vote or consent of an entity's interest holders approving a transaction under the bill satisfies the bill's requirements for transaction approval.

§ 9 — Appraisal Rights

Under the bill, an interest holder of a domestic merging, acquired,

converting, or domesticating corporation is entitled to appraisal rights in connection with the transaction, as long as the interest holder would have been so entitled under the entity's organic law in connection with a merger in which the interest holder's interests were changed, converted, or exchanged. However, this does not apply if the entity's (1) organic law allows the organic rules to limit the availability of appraisal rights and (2) the organic rules provide a limit.

An interest holder of a domestic merging, acquired, converting, or domesticating entity is entitled to contractual appraisal rights in connection with a transaction under the bill, to the extent provided (1) in the entity's organic rules; (2) in the plan; or (3) for a business corporation, by action of its governors. If an interest holder is entitled to contractual appraisal rights and the entity's organic law does not provide procedures for conducting an appraisal rights proceeding, the law's procedures for appraisal rights in business corporations apply, to the extent practicable or as otherwise provided in the entity's organic rules or the plan.

§§ 17, 23, 29 — *Protected Agreements*

Under the bill, a protected agreement is:

1. a record evidencing indebtedness and any related agreement in effect on or after October 1, 2011;
2. an agreement binding on an entity on or after that date;
3. an entity's organic rules in effect on or after that date; or
4. an agreement binding on any of the governors or interest holders of an entity on or after that date.

If a protected agreement contains a provision that applies to a domestic entity's merger but does not refer to an interest exchange, conversion, or domestication, the provision applies to such a transaction as if it were a merger until such time after October 1, 2011, as the provision is amended. For interest exchanges, the bill specifies

that this only applies when the domestic entity is the acquired entity.

§§ 35-59 — REPEAL OF EXISTING PROVISIONS

The bill deletes provisions in current law for mergers, conversions, and interest exchanges involving more than one entity type (current law does not generally provide for domestications), and makes conforming changes. The deleted provisions include the following:

1. mergers or interest exchanges of domestic business corporations with partnerships, limited partnerships, LLPs, LLCs, joint ventures, joint stock companies, business trusts, statutory trusts, real estate investment trusts, or other associations or legal entities (other than corporations) organized to conduct business (§§ 36-41);
2. mergers or consolidations of domestic limited partnerships with corporations, general partnerships, LLPs, LLCs, joint ventures, joint stock companies, business trusts, statutory trusts, real estate investment trusts, or other associations or legal entities (other than limited partnerships) organized to conduct business (§§ 42-45);
3. conversion of a professional association into a professional service corporation (§§ 46, 55);
4. mergers or consolidations of LLCs with corporations, general partnerships, LLPs, limited partnerships, joint ventures, joint stock companies, business trusts, statutory trusts, real estate investment trusts, or other associations or legal entities (other than LLCs) organized to conduct business (§§ 47-50) (see below for additional changes regarding certain LLCs);
5. mergers of partnerships with corporations, LLCs, LLPs, limited partnerships, joint ventures, joint stock companies, business trusts, statutory trusts, real estate investment trusts, or other associations or legal entities (other than partnerships) organized to conduct business (§§ 51-53); and

6. conversion of a domestic general or limited partnership into an LLC, or conversion of a partnership into a limited partnership (or vice versa) (§ 59).

§ 35 — Professional Service Corporations

The bill makes additional changes regarding professional service corporations. Current law provides that a professional service corporation may consolidate or merge with another professional service corporation, LLC, partnership, LLP, or medical foundation, but only if the other entity is organized to render the same specific professional service. The bill deletes this restriction on the entities with which a professional service corporation may consolidate or merge, but retains the requirement that the entities be organized to render the same professional service if the consolidation or merger is with another professional service corporation. Thus, under the bill, a professional service corporation may merge or otherwise consolidate with other entity types that are not organized to render the same specific professional service.

Current law also prohibits the merger or consolidation of a professional service corporation with a foreign corporation, LLC, partnership, or LLP. The bill retains this prohibition only regarding foreign corporations.

§ 47 — Limited Liability Companies Organized To Render Professional Services

Current law provides that an LLC organized to render professional services may merge or consolidate only with another domestic LLC, professional service corporation, partnership, or LLP, and only if the other entity is organized to render the same professional service. The bill deletes this restriction on the entities with which such an LLC may merge or consolidate, as well as the restriction that such combinations are permitted only if the other entity is organized to render the same professional service.

The bill retains the prohibition in current law prohibiting an LLC organized to render professional services from merging or

consolidating with a foreign entity of any type.

§ 2 — OTHER DEFINITIONS

In addition to terms defined above, the following definitions apply in the bill's Model Entity Transactions Act (META) provisions:

Governance Interest: The right under an entity's organic law or organic rules, other than as a governor, agent, assignee, or proxy, to (1) receive or demand access to the entity's books or records or information concerning the entity; (2) vote for the election of the entity's governors; or (3) receive notice of or vote on any or all issues involving the entity's internal affairs.

Jurisdiction of Organization (of an Entity): The jurisdiction under which the law includes the entity's organic law.

Liability: A debt, obligation, or any other liability arising in any manner, regardless of whether it is secured or contingent.

Person: An individual, corporation, estate, trust, partnership, limited liability company, business or similar trust, association, joint venture, public corporation, government or governmental subdivision, agency or instrumentality, or any other legal or commercial entity.

Sign or Signature: Includes any manual, facsimile, conformed, or electronic signature.

Transferable Interest: The right under an entity's organic law to receive distributions from the entity.

Type: With regard to an entity, means a generic entity form (1) recognized at common law or (2) organized under an organic law, whether or not an entity organized under such law are subject to the provisions of that law creating different categories of the entity form.

BACKGROUND

Model Entity Transactions Act (META)

META was drafted by the National Conference of Commissioners

on Uniform State Laws and the American Bar Association. It was created in 2005 and amended in 2007.

Cy Pres

The cy pres doctrine allows a court to amend the terms of a charitable trust as closely as possible to the original intention of the deceased when the original objective becomes impossible, impracticable, or illegal to perform.

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/15/2011)